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The Hunt for Clues To Israel's Future Starts at the Mall

Growth of Consumerism Reveals Changing Nation. By Jackson Diehl. JERUSALEM — Anyone who walks into the posh shopping mall in the Tel Aviv area of Jerusalem these days is likely to be accosted by the swarm of consumers.



The family of a Croatian soldier killed in Dubrovnik buried him on Monday morning. Under attack, the city has been in a state of alarm eight days.

Bosnia Urges Bush to Send Air Strikes Against Serbs

UN Consults Urgently On Authorizing Troops To Take Over Airport. By John F. Burns. SARAJEVO, Bosnia-Herzegovina — After 72 hours of relentless bombardment that turned swaths of Sarajevo into smoking ruins, the president of this newly independent country appealed Monday to President George Bush for a U.S. air attack on Serbian gun positions in hills above the city.

U.S. Said to Focus on Wrong Russian Weapons

By Thomas L. Friedman. WASHINGTON — In the last few months, the United States and Russia have quietly narrowed their differences over how to make additional cuts in nuclear arsenals, well beyond those agreed to in the Strategic Arms Reduction Treaty.

Japan Upper House Endorses Troop Bill

TOKYO — After the Socialist opposition ended four days of delaying tactics, exhausted legislators in the upper house of parliament on Tuesday approved a bill to authorize the dispatch of Japanese ground troops overseas for the first time since World War II. The vote was 137 to 102.



Legislators in the upper house of the Diet, during the home stretch of marathon debates on the bill to authorize the use of troops abroad.

Adagio to the Dead As the City Burns

Sarajevans Grasp at Rituals. SARAJEVO, Bosnia-Herzegovina — As the 155mm howitzer shells whistled down on this crumbling city, exploding thunderously into buildings all around, a disheveled, stubble-bearded man in a plastic evening attire unfolded a formal chair in the middle of Vase Miskina Street. He lifted his cello from its case and began playing Albinoni's Adagio.

Kiosk

Gates, Admitting Bluff, Will Retire. LOS ANGELES (AP) — Police Chief Daryl F. Gates said Monday that he would retire at the end of the month as planned and not carry out his threat to prolong his tenure because of a dispute over the appointment of commanders.

Bush on Rio Pact: No Apology

By Ann Devroy. WASHINGTON — President George Bush, ending a meeting with Prime Minister John Major of Britain, said he would not budge on his refusal to join the leaders of most other nations in signing a biological diversity treaty at the Earth Summit this week.

Hold Those Tigers! Tips, Cops and Videotape Help Princeton Capture Streakers

By Michael Winerp. PRINCETON, New Jersey — The judge stared coldly at the defendants and asked if they understood the charges they were about to plead guilty to. "Derek Austin?" "I don't know if I was disorderly, judge," said the Princeton University sophomore. "But I was naked."

Vertical text on the far left edge of the page, including 'PEOPLE' and 'HOLIDAY REVIEWS'.

Vertical text on the far right edge of the page, including 'page 5', 'page 7', and 'more news'.

# Israeli Judge Questions Prosecutor's Evidence on Demjanjuk

## WORLD BRIEFS

By Clyde Haberman  
New York Times Service

**JERUSALEM** — The chief prosecutor completed his arguments on Monday in the "Ivan the Terrible" case, insisting to Israel's Supreme Court that it should have no doubts that John Demjanjuk had been a "direct servant of Satan" as a guard at more than one Nazi death camp in Poland.

But one of the five Supreme Court justices suggested in a sharp exchange that the prosecution may have no case unless it could prove beyond a reasonable doubt that Mr. Demjanjuk had been specifically at the Treblinka camp, where more than 850,000 Jews died. Without such proof, he said, "there is no point in proceeding."

war, never a death camp guard. At the start of the session on Monday, Chief Justice Meir Shamgar said the Cincinnati court action would be taken under consideration. He did not comment on an opening statement from the prosecutor, Michael Shaked, that the Ohio decision should have no effect on what happens here.

But the defense lawyer, Yoram Sheftel, said in interviews that the only issue at stake in the extradition was whether Mr. Demjanjuk had been Ivan the Terrible, not whether he may have been at other Nazi camps as well.

# U.S. Is Said to Ask Allies To Back It in Rio Feud

**RIO DE JANEIRO** — The United States, already isolated in its opposition to the biological diversity treaty to protect plants and wildlife, is pressing its European allies out to break with its position on global warming, officials at the Earth Summit said Monday.



The Democratic presidential candidate Edmund G. (Jerry) Brown and Bianca Jagger, former wife of the rock star Mick Jagger, on Copacabana Beach in Rio de Janeiro during a World Walking Day rally and march that were attended by thousands of demonstrators.

# BUSH: He Stands Firm on Refusal

**(Continued from page 1)**  
Some reports have suggested that the document was disclosed by an aide to Vice President Dan Quayle who is opposed to compromise at the Rio meeting.

# ARSENAL: Critics Say U.S. Presses Moscow to Cut Wrong Nuclear Arms

**(Continued from page 1)**  
The U.S. position, he asserted, "appears driven by antiquated Cold War theories and a desire to achieve unilateral advantage."

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Switzerland	2,400	1,200	400
UK	2,400	1,200	400
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# JAPAN: Troop Bill Gains

**(Continued from page 1)**  
The measure finally passed easily because the conservative Liberal Democrats and their centrist allies control 143 votes — far more than the required simple majority of 127.

# STREAK: Hold Those Tigers

**(Continued from page 1)**  
Olympics, said the manager, Tod Barber. "Our bar crowd loved it."

# Sudan Tries Hybrid Economy

**By Chris Hedges**  
New York Times Service  
**KHARTOUM, Sudan** — Acting as if it had a copy of the Koran in one hand and the economic theories of Milton Friedman in the other, the Sudanese government is trying to wed unbridled capitalism to militant Islam.

# Panel Assails Press Over Diana Affair

**LONDON (NYT)** — An independent watchdog committee set up last year in the hope of discouraging excesses of the British press said Monday that "prurient reporting" on the marriage of Prince Charles and Diana, Princess of Wales, this weekend had reached a new low.

# Eilat Attacker Claims Tie to El Fatah

**JERUSALEM (Reuters)** — An Arab who took part in a recent attack on the Israeli resort of Eilat said Monday that he was a member of El Fatah, the largest guerrilla group of the Palestine Liberation Organization.

# Another Tokyo Aide Tied to Scandal

**TOKYO (AP)** — A cabinet minister closely associated with Prime Minister Kiichi Miyazawa allegedly received 10 million yen (\$79,000) in political donations from a scandal-tainted company, news reports said Monday.

# CIA Pessimistic on Russian Economy

**WASHINGTON (AP)** — The CIA predicted Monday that the pace of economic change in Russia and the other former Soviet states would fall victim to a steep increase in consumer prices and unemployment.

# For the Record

Florida's longest-serving member of Congress, Representative Charles E. Bennett, 81, will not seek re-election. He cited his age and his wife's illness. The Democrat was first elected to the House in 1948.

# Correction

An article Monday on the results of the weekend elections in Czechoslovakia misidentified the group that got 6 percent of the vote in the Czech republic. It was an extreme-right group, the Republican Party of Czechoslovakia.

# TRAVEL UPDATE

Drivers and maintenance workers in New York for five private bus companies went on strike Monday, forcing about 225,000 people in Queens and Brooklyn to find other rides.

# The Weather

Region	Today	Tomorrow
North America	From Houston to Atlanta, being several days of rain, with some sun and drizzle at midweek with 10-15 mph winds.	From Houston to Atlanta, being several days of rain, with some sun and drizzle at midweek with 10-15 mph winds.
Europe	A slow-moving storm will bring several days of rain to Italy, southern France and much of the western Mediterranean. Sea level is higher than normal.	A slow-moving storm will bring several days of rain to Italy, southern France and much of the western Mediterranean. Sea level is higher than normal.
Asia	Korea will turn out partly sunny and pleasant at midweek. There will be little rain in western Japan. Tokyo may be drizzle on Tuesday. Farther north, it is slated for Hong Kong and Taipei. Tropical storms will swirl through Manila and Singapore.	Korea will turn out partly sunny and pleasant at midweek. There will be little rain in western Japan. Tokyo may be drizzle on Tuesday. Farther north, it is slated for Hong Kong and Taipei. Tropical storms will swirl through Manila and Singapore.

# Margaretha Fashion En

**MUNICH** — Margaretha Wahlberg, a Swedish fashion designer, has been named as the leading designer of Europe's fashion scene in 1991. She is the first woman to be named as the leading designer of Europe's fashion scene in 1991.

**Herald Tribune**  
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# Texans Await a No-Holds-Barred Brawl When Bush Meets Perot at the K.O. Corral

By Maureen Dowd

**HOUSTON** — Spurs Tavern, a local beer joint of its house, as it is known, is a manly place. Its walls are covered with skulls and horns and hides of Texas steers. Confederate flags hang from the ceiling. The pool tables are crowded and the juke box spits out Merle Haggard songs. It is proper etiquette to leer at waitresses and drink beer from the bottle. The ladies' room is filled with pictures of John Wayne aiming rifles.

It seems a suitable place to ask what will happen when two Texans have a presidential shootout.

"Neither one of them seems like much of a Texan," said Floyd Karonka, the owner of a meat-copcon. "Bush, he belongs up in Maryland or Maine or someplace. Perot, he talks like an actor and acts like one, but the man came up so

sudden. I guess I look at old President Johnson as more like a real Texan, the way he stung the old words around."

Plenty of old words are going to be slung around this state and this country before the Dallas computer puncher and the Kennebunkport cowboy are finished.

Henry Ross Perot is George Herbert Walker Bush's most hellacious nightmare — a real Texan with billions of dollars and a barbed-wire style, bragging that he will kick "the sissies" out of Washington and that he does not need to prove his manhood by going to war.

It is a strategic disaster for the White House — a rattlesnake bite in a year when Mr. Bush, 67, had hoped he could play the statesman. It is also a geographic disaster, with Mr. Perot leading in polls in the state where Mr. Bush claims his legal residence.

"The Bush people to Texas are just apologetic," said John C. White, the Washington lobbyist and former Democratic Party chief who hails from Texas. "We've got a billion-dollar Bobba here to deal with, and no one has figured out how to handle this. A lot of the time in Texas, we confuse money with intelligence. And that gets us in a lot of trouble."

Mark White, a former Democratic governor, says, "It's going to be these two guys putting knives in their teeth — no quarter, nuclear war. It will make the Alamo seem like a love-in."

It became clear last week that the campaign might have the elements of a Texas barroom brawl after Marilyn Quayle said that Mr. Perot was trying to buy the election, and Mr. Perot, 61, responded with a line straight out of "High Noon":

"I find it fascinating that grown men are hiding behind their women. If they have any-

thing to say, why don't they step out front and say it themselves? If they want to get in the ring, come on in the ring — we'll have it and get it on."

The Dallas tycoon is trying to paint himself as the true heir to Ronald Reagan's Western myth. As he likes to say: "It's time to take out the trash and clean out the stable."

An athletic 6-foot-2 (1.87 meters), the president has the long, lanky form of a Texan, compared with the bantam bearing of the 5-foot-6 Mr. Perot.

But when Mr. Bush started his career in Houston politics more than three decades ago, there was a lot of skepticism. He had Eastern money backing his West Texas oil business. He had campaign contributors who were members of the Council of Foreign Relations, which he once conceded that some voters thought of as "a One World tool of the Communist-Wall

Street internationalist conspiracy." And even his biggest boosters warned him that he would never be mean enough for Texas politics.

Mr. Bush learned to hire others to do "the naughty stuff," as he once called it. But Sam Kinch Jr., editor of a political newsletter in Austin, said, "Perot knows how to go for the jugular himself."

There has been talk here among Republicans that "Jimmy" Baker, the tobacco-chewing, cowboy-boot-wearing secretary of state who started in Houston politics with Mr. Bush, should gallop in and save the ranch.

John B. Connolly, the former Democratic governor of Texas who turned Republican to join the Nixon cabinet, said he had no doubt that Mr. Perot would win Texas.

"People feel like Bush paraded as a Texan, ran as a Texan, got elected as a Texan and as soon as he got in there, forsook Texas," he said.

"Banks are going under. There's no energy policy. We don't like the debt, the deficit, the scandals, the inaction, the parties or the rhetoric. We don't want any more half-fellow-well-mean types from New England."

## Bush Acknowledges Perot

Mr. Bush was pressed at a news conference in Camp David, Maryland, to discuss the rising stature of Mr. Perot as an independent presidential candidate. The Washington Post reported. His response was, "I cannot tell a lie — his name came up" in discussions with John Major.

Mr. Bush said the British prime minister gave him "a lot of good advice. Just stay with it." The president later said he told Mr. Major: "I feel confident of winning. And I do better when I'm fighting. I do better when I'm coming from behind."



ON THE PATH OF COLUMBUS — A sailor from the Italian ship Amerigo Vespucci standing guard in front of the vessel in San Juan, Puerto Rico. The Vespucci will join a regatta of tall ships marking the 500th anniversary of Columbus's voyage to America.

## States Allowed to Ban Write-in Votes

**WASHINGTON** — States may ban write-in voting in elections, the Supreme Court ruled Monday.

The ruling would have no apparent effect on Ross Perot's possible run for the presidency.

The justices, voting 6-to-3, upheld a write-in ban in Hawaii.

The court was told that Indiana, Nevada, Oklahoma and South Dakota also prohibit write-ins and that about half the states restrict write-in ballots to some degree.

Indiana has since changed its law to allow write-in candidates in general elections.

Mr. Perot's name was written in by supporters in several recent primaries, but the votes were not counted. Petitions are being signed to make him an independent candidate on general election ballots.

Justice Byron R. White, writing for the court, said Hawaii reasonably justified its ban in the interest of "avoiding the possibility of unstrained factionalism" in its general elections.

He was joined by Chief Justice William H. Rehnquist and Justices Sandra Day O'Connor, Antonin Scalia, David H. Souter and Clarence Thomas.

Dissenting were Justices Anthony M. Kennedy, Harry A. Blackmun and John Paul Stevens.

In the dissenting opinion, Justice Kennedy said an outright ban such as Hawaii's prevents many voters in the state from "participating in elections in a meaningful manner."

Monday's ruling "is ironic at a time when the new democracies in foreign countries strive to emerge from an era of sham elections," he added.

In other action Monday, the Supreme Court agreed to decide if Saudi Arabia can be sued in federal court for allegedly torturing a hospital worker recruited from the United States.

Next term the court will review a ruling of the 11th U.S. Circuit Court of Appeals that the Saudi government can be sued for the 39-day detention and alleged torture of an American working at a Riyadh hospital.

The Foreign Sovereign Immunities Act of 1976 specifies that a foreign country can be sued only on rare occasions, such as for a commercial activity "carried on in the United States" and "based upon" action taken in the United States.

A federal district court ruled that even if the alleged torture took place, Scott Nelson could not sue because his claims were not based upon commercial activities of Saudi Arabia carried on in the United States.

But the 11th U.S. Circuit Court of Appeals reversed, finding that because Mr. Nelson's detention resulted from his work at the King Faisal Specialist Hospital, — and he was recruited for the job from Florida — the suit can go forward.

The Bush administration joined the Saudi government in asking the court to overturn the 11th Circuit ruling.

In 1983, Mr. Nelson responded to a printed advertisement for a job at the Riyadh hospital in recruiting conducted by the Hospital Corporation of America.

Less than four months later, Mr. Nelson reported safety hazards at the hospital to the Saudi government, as his job required. He claims that as a result, he was held for 39 days and tortured.

Also Monday, the Supreme Court postponed, at least until next fall, a decision on whether federal courts and federal law enforcement agencies have the authority to deal with anti-abortion protesters who try to block women's access to abortion clinics.

At issue is what federal help is available to abortion clinic owners who sue for monetary damages or seek to stop blockades by anti-abortion protesters.

## For President, Economic Pipe Dream?

### Voters Unlikely to 'Reward' Him Even if Economy Recovers, Analysts Say

**WASHINGTON** — President George Bush continues to pursue what might be called his "field of dreams" approach to the November election: Build an economic recovery, and the voters will come.

But poll-takers, economists and political strategists of both parties question his optimism about the recovery and its impact.

Saying that his "problems stem from this sluggish, anemic economy," Mr. Bush predicted at a recent news conference that voters would be "fair enough to give credit when there's recovery."

"Although there has been a modest improvement in the economy, that credit has not come his way, the president said, because voters have not yet realized that there is an improvement."

"When they do," he said, "I expect to see some change."

But several specialists say that the recovery may be too little, too late, to help Mr. Bush's re-election chances.

News like the announcement on Friday of a rise in the unemployment rate — while not a grim port-

ent in economic terms — takes a psychological toll that reinforces voters' pessimism, they say.

"Although voters may be willing to punish the president and other incumbents for a failing economy, some experts say, it may not work in reverse."

The electorate, fed up with Washington and gloomy about long-term economic prospects, may be unwilling to reward Mr. Bush for any immediate improvement.

Some of the president's senior strategists acknowledge that, at this juncture, good economic news alone will not do it for Mr. Bush.

"It has never been a matter of faith that the economy alone would determine the president's re-election," said Robert M. Teeter, Mr. Bush's campaign chairman. "An improving economy, of course, makes it a whole lot easier, but that alone clearly is not enough."

While an economic recovery may not be a sufficient condition for Mr. Bush to win re-election, in the minds of many strategists it is a necessary one.

"Having this recovery in place — and in place in the minds of the

Republican base voters — is absolutely essential for George Bush to win," said a Republican consultant, Eddie Mabe.

With only five months to go before the election, Mr. Mabe said he was not sure it was enough time to persuade those voters that the economy has recovered.

He said that the latest unemployment figures, showing that joblessness had risen in May to 7.5 percent, the highest rate since 1984, were scary and "a real setback" psychologically.

A Republican poll-taker, Glen Bolger, said the figures suggest "to a lot of people that this is the never-ending recession."

Although economists may understand that the jobless rate is a lagging indicator, and that the increase was fueled by growth in the labor force rather than a reduction in jobs, he said:

"The unemployment rate going up is much more tangible to people than durable-goods orders. It's hard for people to get excited about the recovery if the average person doesn't see that their friend or neighbor or family member has a chance to get a job."

Moreover, he said, Mr. Bush, while penalized by voters for the downturn, may not reap any reward for the improving economic picture. "I'm not sure that the White House and President Bush can point to anything that they've done where, if people do perceive a recovery, that he'll get credit for," Mr. Bolger said.

Democratic poll-takers and economists said that Mr. Bush was making a fundamental miscalculation in thinking that voters were responding to short-term fluctuations in the business cycle.

"Americans don't view our economic problems as a bump in the road, as simply a short-term detour," said Geoffrey Garin, a Democratic poll-taker.

"People think the problems are fundamental, serious and long-term, and that's why they are so insistent on real change in government. And every time Bush says, 'Don't worry about it,' it's a signal to the voters that this is a person who doesn't understand what's happening to the country and who's not prepared to do the things that are needed to turn the country around."

## Margaretha Ley Dies, Fashion Entrepreneur

**MUNICH** — Margaretha Ley, 56, the leading designer and manager of Europe's second largest fashion outlet, Escada, died at her home here.

Mrs. Ley was born in Sweden and, along with her husband, Wolfgang, powered Escada from a turnover of 270 million Deutsche marks (\$168 million) in 1986 to 1.4 billion marks in 1991. She died Thursday from cancer.

Mrs. Ley, who co-founded Escada with her husband, named the company after a horse she once saw win at Munich's Riem racetrack. The company has fashion outlets around the world.

Fally Dunne, 64, a screenwriter who was a founder of the Screen Writers Guild and a vigorous opponent of the House Committee on the Un-American Activities in the 1950s, died June 2 at his home in Malibu, California, of cancer. Mr. Dunne wrote or co-wrote 36 films and directed 10. His writing credits include "How Green Was My Valley," "Suez," and "The Count of Monte Cristo."

Kurt Erik Wehn, a Swedish composer, pianist and organist, was found dead at his home on Majorca on Sunday, his 58th birthday. Reports in the Swedish press did not point to the cause of death. As a performer, Mr. Wehn was drawn to music that allowed him to express his flair for drama and to express what seemed to be a love-hate relationship with the keyboard. (NYT) Giuseppe Bratanata, 64, a leading Indonesian political dissident, died Friday of a brain tumor in Jakarta, his daughter said. Mr. Bratanata

was the spokesman for the Group of 50, which was set up 12 years ago by former generals, former cabinet ministers and religious leaders. The group has repeatedly attacked President Suharto.

John Charles Doerfer, 87, who headed the Federal Communications Commission during controversies over quiz-show scandals and payments to disk jockeys, and who was forced out of office in 1960 for vacationing on a broadcaster's yacht, died Friday of cardiac arrest in Boston. (NYT)

Nicholas G.W. Thorne, 71, a U.S. military and diplomatic officer who directed missions to resettle 50,000 Indochinese refugees and to monitor an Egyptian-Israeli buffer zone, died of lymphoma complications on May 28 in the Philippines, where he lived. Mr. Thorne worked for the State Department from 1962 to 1980. (NYT)



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**JUNE 24**

- 09.00 OPENING ADDRESS  
Dr. Wolfgang Schussel, Minister of Economic Affairs, Austria
- 09.45 ENERGY DEMAND — ITS CHANGING SIZE & STRUCTURE  
Manfred Ungelmann, Managing Director, Thyssen Carbonsteel, Düsseldorf  
G. Quinlan Lussenden, Director, Oil Market Developments, IEA, Paris  
Prof. Alexander Arbenov, Vice Chairman, Committee for Productive Forces and Natural Resources, Academy of Sciences, Moscow
- 11.00 Coffee
- 11.30 ENERGY SUPPLY — SECURITY & ECONOMICS  
Kambiz Hanifi, Head, Int. Assessment Dept., National Iranian Oil Co., Tehran  
George Langenhove, Managing Director, Global Gas, British Gas plc, London  
Prof. Lulin Radoulov, President, Committee of Energy, Bulgaria  
Victor S. Chernomyrdin, Chairman, Gazprom, Moscow
- 13.00 Lunch
- 14.30 INFRASTRUCTURE — PIPELINES, TRANSPORTATION & STORAGE  
Valery Chernyshev, President, Giprotransoil, Moscow  
Aleksander Miao Broz, Advisor to the General Manager, INA Oil, Zagreb  
Gabriele Cagliari, President, Ente Nazionale Idrocarburi, Rome
- 15.45 Tea

The following special interest presentations will run simultaneously.

- 16.15 INTERNATIONAL FINANCIAL METHODS & SOURCES  
Randal B. Fischer, Senior Banker (Energy), Merchant Banking, European Bank for Reconstruction and Development, London  
J. Robert Maguire, V.P., European Energy Group, Morgan Stanley, London  
Alan Jones, President, Anglo-Soviet LP, Houston  
John Shattuck, V.P., Eastern European Group, Morgan Stanley, London  
David J. Taylor, Head, Energy & Natural Resources, Moscow Narodny Bank, London
- OL-RELATED BARTER TRADE  
Dr. Jozsef Toti, Managing Director, Mineralimpex, Budapest  
Konstantin Borovkov, CE, Russian Commodities & Raw Materials Exchange, Moscow  
Ella Malmivirta, Executive Vice President, Neste Oy, Helsinki
- INVESTMENT OPPORTUNITIES IN THE ROMANIAN ENERGY SECTOR  
Delegation headed by Dan Constantinescu, Minister of Industry, Romania
- 18.00 Cocktails

**JUNE 25**

- 06.30 UPSTREAM — HAZARDS & ATTRIBUTES OF THE REGION  
Richard Matzka, President, Chevron Overseas Petroleum Inc., San Francisco  
Gil Lubin, President, Anglo-Soviet LP, Houston  
Yuri Shattuck, Chairman, Regional Council, Tyumen  
Vladimir Anutanin, Chairman, Soyuznefteport, Moscow
- 10.00 KEYNOTE ADDRESS  
Dr. Siegfried Meyrel, Chairman, OMV A.G., Vienna
- 10.30 Coffee
- 11.00 DOWNSTREAM — REFINING & MARKETING  
Anthony Vicas-Miles, Head of Central & East Europe Division, Shell International Petroleum Co. Ltd., London  
Pierre Valletud, Director General, Total S.A., Paris

**JUNE 26**

- 06.30 CORPORATE REORIENTATION & RESTRUCTURING  
Anatoli Sivak, Chairman, Vysypannoltep, Moscow  
Dr. Jozsef Szek, President, MCA, Rt. Budapest  
Levi Tshelofan, President, Rompetrolgas, Moscow
- 08.55 KEYNOTE ADDRESS  
Kadyk K. Bakhrapov, Deputy Prime Minister, Kazakh Republic
- 10.30 Coffee
- 10.55 FINANCE & INVESTMENT  
Dr. Hannes Androsch, Chairman, Androsch International, Vienna  
Prof. Gyorgy Malykshin, Chairman, RSPSR Central Bank, Moscow  
Dr. Helmut Klarmann, First Deputy Governor, Austrian National Bank, Vienna  
Herman Mulder, Senior Vice President, ASN AMFO Bank, Amsterdam
- 12.25 KEYNOTE ADDRESS  
Edvard Grushchewski, Deputy Minister of Fuel & Energy, Russia
- 13.00 POLITICAL, LEGAL & JURISDICTIONAL DISPUTES  
Prince Alfred von Liechtenstein, President, Akademie für Zukunftsfragen, Vienna
- 13.25 Close of Conference
- 13.30 Informal Luncheon

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9-6-92

# Ex-Communists Blossoming in Prague

By William E. Schmidt  
New York Times Service

PRAGUE — One after another, the candidates rose to speak at the campaign's final rally in Bratislava, standing behind a podium wrapped in bright red cloth as they exhorted voters to remember that only the Party of the Democratic Left of Slovakia would fight to defend the rights of workers.

The candidates were mostly former Communists, and while few in the audience knew it, the red fabric draped around the podium was also a Communist flag, carefully folded so that the emblem of the hammer and sickle was hidden.

Just as they have done with the flag, many of Czechoslovakia's former Communists have turned a new face to the country this spring. Now they call themselves leftists or social democrats, in the European socialist tradition, and hawk slogans like: "We're not against riches. We are just against poverty."

In the nationwide balloting that finished Saturday, just 30 months after the pro-Soviet Communist government surrendered to popular protests demanding free elections, leftists — including a smattering of Communists — won about 14 percent of the vote, making them the third-largest block in both the federal and republic parliaments.

It is about the same proportion of the vote that they won in the 1990 elections. But with Czechoslovakia's new parliament badly polarized, the leftists and former Communists in Slovakia, in particular, have emerged as key players in the current political free-for-all in Czechoslovakia.

It is a measure of their position that Vladimir Meciar, the Slovak populist who won 37 per-

cent of the vote in the eastern half of the country, met Monday with Peter Weiss, the young and energetic leader of the Party of the Democratic Left of Slovakia, to discuss forming a possible political coalition to balance the rightist parties that make up the largest block in the neighboring Czech republic.

If they join Mr. Meciar, the leftists would give him absolute control of the Slovak parliament, where he could push ahead his program for Slovakia.

But while the leftists side with Mr. Meciar, himself a former Communist, in wanting to put the brakes on the drive toward economic reform, and give Slovakia more control over its economy, they say they are opposed to breaking up Czechoslovakia.

The new federal parliament is now divided between rightist Czech advocates of rapid economic change and Mr. Meciar's Slovak separatists, who have vowed to press ahead with steps to either loosen or undo the 74-year-old Czechoslovak federation.

During the campaign, Mr. Meciar exploited longstanding resentment within Slovakia of the more prosperous Czech west, where unemployment is barely a third of what it is in the Slovak regions. Among other things, he wants to slow the transition to a Western-style market economy.

In addition, Mr. Meciar reaffirmed Monday that he was determined to dump Vaclav Havel, the former playwright and poet who is now Czechoslovakia's president, when he comes up for re-election next month.

Mr. Havel sent a message on Monday that he

would like to remain as president of Czechoslovakia, but only on his terms.

Michael Zamosky, Mr. Havel's spokesman, said that Mr. Havel's candidacy "is linked with the promotion of certain values."

"It makes sense only if two conditions are fulfilled," he added. "A common state should be preserved and the reforms begun in 1989 can continue."

The fate of Mr. Havel and, ultimately, the Czechoslovak federation will turn to a large degree on negotiations over a new government between Mr. Meciar and Vaclav Klaus, his powerful rightist rival in the Czech republic. Mr. Klaus's Civic Democratic Alliance has the most seats in parliament, but will be unable to govern if Mr. Meciar chooses to block him.

The two men were to meet Tuesday.

In looking for allies, Mr. Meciar met on Monday with Jozef Prokes, the leader of the smaller Slovak National Party, which is staunchly in favor of a separate state. In his campaign posters, Mr. Prokes, who is far to the right of both Mr. Weiss and Mr. Meciar, showed a photograph of his himself with Ronald Reagan.

Mr. Weiss, 42, represents the new and kinder face of post-Soviet communism. Exit polls conducted by INFAS, the German polling group, suggest that he attracted a large number of young and well-educated voters in Slovakia.

"There is a new attitude toward us this election," said Milan Ftacnik, a former Communist and a leftist member of the Slovak parliament. "In the elections two years ago, people tore down our posters. Now the anger is directed more at the ruling government in Prague."



**BORDER DUTY** — A soldier in the Azerbaijani forces on alert Monday along the frontier of Nagorno-Karabakh, the Armenian enclave. The conflict will be a major issue for the victor in elections Sunday for president of Azerbaijan. Preliminary reports indicated that the winner was Abulfaz Elchibey, a historian who favors a secular state, like Turkey's, not an Islamic rule like Iran's.

# A Power Struggle In Portugal Nears Its Critical Stage

By Alan Riding  
New York Times Service

LISBON — After three electoral victories and seven years in office, Prime Minister Anibal Cavaco Silva evidently finds it irritating to be far less well known abroad than Portugal's president, Mario Soares, whose job is meant to be purely ceremonial.

But it is also apparent that Mr. Soares, who first became known in the 1960s as an opponent of Portugal's dictatorship and who himself served as prime minister after democracy was restored, is reluctant to end his political career doing nothing more than cutting ribbons.

The result is that a new power struggle between this country's two most prominent public figures is taking on the dimension of a constitutional crisis, with Mr. Soares's determination to yield political influence running up against Mr. Cavaco Silva's insistence that he has no authority to do so.

The latest test of strength was provoked by the president's decision late in May to veto a government decree drastically reducing the size of Portugal's armed forces. Mr. Cavaco Silva responded by presenting an identical version of the law for parliamentary approval.

Contradicting government policy, Mr. Soares recently proposed that Portuguese troops take part in a so-called European corps being promoted by France and Germany, and he called for a referendum on a controversial treaty on European union.

Furthermore, the president never loses a chance to pay official visits to Western Europe and Latin America, where he has old political ties. He attended the beginning of the Earth Summit environmental conference in Rio de Janeiro as a guest of the Brazilian government even though Mr. Cavaco Silva was scheduled to arrive there days later.

Some political experts believe the rivalry between the two has become particularly acute now because during the first six months of 1992 Portugal has held the rotating presidency of the European Community, and Mr. Soares reportedly feels he has been kept out of the limelight by the government.

The problem, though, is not new. Last October, Mr. Cavaco Silva al-

most boycotted a summit meeting in Mexico that brought together leaders of Spain, Portugal, and 19 Latin American nations because Mr. Soares was also invited. He attended only after it was clear he would be Portugal's spokesman.

In that, Mr. Cavaco Silva has the support of the post-dictatorship constitution, which gave the president no voice in foreign affairs. The president's main prerogative is to name a prime minister, an important role in cases of coalition governments. At present, though, the governing Social Democratic Party enjoys a solid parliamentary majority.

Mr. Cavaco Silva, 52, won reelection in October in recognition of the rapid economic growth that has taken place here since Portugal joined the 12-nation EC in 1986. Later this month, he will be in the public's eye when he is host at a community summit conference here.

But Mr. Soares, 67, enjoys a special place in Portugal's recent history and appears to believe he has a moral — if not constitutional — right to give his opinions. And here the public seems to be on his side: he was overwhelmingly re-elected to a five-year term early last year, with even Mr. Cavaco Silva's party not presenting a challenger.

As president, though, Mr. Soares has been more popular than he was as a Socialist prime minister who was never able to win an absolute majority of parliamentary seats and presided over three weak coalition governments between 1976 and 1985.

Mr. Soares has theoretically risen above party politics, yet many Portuguese political experts believe his deep shadow has prevented a strong successor from emerging from the ranks of the Socialist Party that he founded. In February, Antonio Guterres became the party's third leader in six years.

In practice, Mr. Soares has frequently taken positions in conflict with those of the party, which has further discredited the party in the eyes of the electorate. Now that Mr. Soares appears to have decided to lead the opposition from the presidency, however, all eyes are on Mr. Cavaco Silva to make the next move.

# Serbia Vote Stirs Anger In Russia

New York Times Service

MOSCOW — Russia's vote to join UN sanctions against Serbia has set off a protest from rightist nationalists in the Russian Parliament, who are accusing the government of betraying their Slavic brothers and selling out to pro-American interests in Europe.

Moscow's about-face on Yugoslavia has proved to be a test not only of Russia's long-standing historical and cultural ties to Serbia, but also of the perception in some political circles here that Russia has had to fall in line behind the West's policy as the price for Western credits and aid.

Three weeks ago, at a meeting in Helsinki of the 52-nation Conference on Security and Cooperation in Europe, Russia alone refused to vote to condemn Yugoslavia, now made up only of Serbia and Montenegro, for its role in the recent fighting, and to suspend its membership in the conference.

Yevgeni Gussarov, head of the Russian delegation, explained in an article in the newspaper Izvestia that the Russian position was "not dictated by some pro-Serbian orientation or by any urge to protect Belgrade," but rather by the view that the crisis in Yugoslavia would not be solved by excluding one of the participants. Russia hoped that by not adding its voice to the world's condemnation of Serbia, it could better exert influence over the government in Belgrade.

But when the Russian foreign minister, Andrei V. Kozyrev, made a peace mission to the Bosnian capital, Sarajevo, and the overture collapsed, Russia's views changed, and, on May 30, it voted in the Security Council to enforce tough sanctions against Serbia.

The vote against Serbia, which has historically been regarded by Russia as its "younger Slavic brother," has given nationalist voices here another reason for indignation at the government of President Boris N. Yeltsin, who is also accused of ignoring the plight of ethnic Russians living in newly independent states.

At a news briefing Friday, the Foreign Ministry spokesman, Sergei Yastrzhebmsky, rebutted charges that Russia's vote for sanctions was somehow anti-patriotic.

"We are attached to the tradition of friendly relations with all the republics," he said of the Yugoslav republics. "A blind orientation along ethnic lines, he said, "cannot be the main criterion for a serious and responsible policy."

— CELESTINE BOHLEN

# U.S. Peanut Lobby Tries To Butter Up Russians

By Celestine Bohlen  
New York Times Service

MOSCOW — Of the many things that Russia lacks, peanut butter is one. To be sure, no one here knew they were missing it. But in a gesture of self-interest humanitarian aid, the National Peanut Council of America has presented this hungry nation with its first peanut butter-and-jelly sandwich.

The formal tasting of that staple of the American schoolchild's lunch box took place at the Exhibition of National Economic Achievements, a centerpiece of golden fountains, giant airplanes and other monuments of the Soviet era.

The first verdict by a troika from the Moscow Children's Theater was that peanut butter, or arakishovoye maslo, was "on the salty side." No one complained about it sticking to the roof of his mouth.

The mission of American peanut farmers, shellers and producers here is double-edged. The delegation came with enough peanut butter (30 tons) for 500,000 sandwiches, which will be donated to needy children through the Moscow Children's Fund.

But they also brought another one and a half tons to be tested at stores around Moscow to see if Russia could one day become a market for America's surplus peanuts.

"We thought it was a fortunate confluence of events," said Wayne

Lord, president of Southern Commodities, of Georgia. "They have a need for food supplies, and if ever there was a market for peanut butter, it would be here, since it's a substitute for meat, at 25 percent of the cost."

Since February, the U.S. government has sent in 57 planeloads of food, 41 planes of medical supplies for a total of 4,450 tons of humanitarian aid to the republics of the former Soviet Union.

Now, the emphasis of United States help to Russia and the other former Soviet republics is shifting away from donations of food toward offers of technical support and assistance, aimed at creating a market economy, but also new markets for American investors.

The initial batch of American aid was intended mainly as a show of support for President Boris N. Yeltsin's program of economic change. Now, after a closer look, Washington is coming to the conclusion that Russia's food shortages are not as acute as their perennial problems of distribution.

The National Peanut Council's trip here last week came, not coincidentally, after a record peanut crop in the United States last year produced a 75,000-ton surplus. If the peanut growers can prove that Russians have a taste for peanut butter, then they will try to persuade Washington to include it on the list of surplus foods eligible to be sent overseas as aid.

## TURKEY IS SEEKING COMPANIES TO INVEST IN CONSTRUCTING A BETTER WORLD

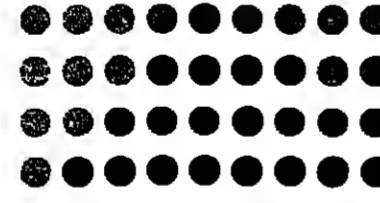
Turkey has taken decisive steps to join the world economy. The privatization of state-owned enterprises is proceeding rapidly. In this context, 11 cement plants are being offered for sale to local and foreign companies willing to benefit from Turkey's integration with the world. Take advantage of this profitable opportunity: invest in Turkey. Invest in the 21st century.

Republic of Turkey, Prime Ministry Public Participation Administration (KOI) offers to sell all of its shares in the following companies:

COMPANY NAME	PERCENTAGE OF SHARES SUBJECT TO SALE (%)	AMOUNT OF BID BOND (TL Million)	OPTIMUM CAPACITY (TON)	
			CEMENT	CLINKER
ADIYAMAN ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	620,000	510,000
AŞKALE ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	350,000	280,000
BARTIN ÇİMENTO SANAYİİ T.A.Ş.	99,78	5,000	300,000	220,000
ÇORUM ÇİMENTO SANAYİİ T.A.Ş.	99,85	5,000	390,000	310,000
DENİZLİ ÇİMENTO SANAYİİ T.A.Ş.*	100,00	5,000	620,000	510,000
GAZİANTEP ÇİMENTO SANAYİİ T.A.Ş.	99,72	5,000	545,000	470,000
İSKENDERUN ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	1,200,000	0
LADİK ÇİMENTO SANAYİİ T.A.Ş.*	100,00	5,000	610,000	525,000
SİVAS ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	325,000	320,000
ŞANLIURFA ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	475,000	510,000
TRABZON ÇİMENTO SANAYİİ T.A.Ş.	100,00	5,000	380,000	310,000

\*KOI's shares in Denizli Çimento Sanayii T.A.Ş. and Ladik Çimento Sanayii T.A.Ş. will be sold in block subject to the condition that up to 49 per cent of the shares in these companies will be offered to the public by the buyers within a time period determined by KOI after the sale of the shares is effected. The exact percentage of the shares that will later be offered to the public will be determined by KOI by taking the tender offers into consideration.


- Further information about the companies can be obtained from KOI after June 1, 1992. The address is shown below.
- The sale of KOI shares in each of the companies listed above will be effected by inviting tenders and subsequently holding sale negotiations.
- The tender and an irrevocable unconditional bid bond for the listed amount corresponding to the related company, payable on first simple demand with a tenor of at least 6 months must be submitted to KOI no later than July 24, 1992, by 6:00 PM official Turkish time.
- In the tender, the offered price for the shares which are subject to sale should be clearly specified.
- The tenders should be submitted separately in closed envelopes with the following inscription
- for the related company "Tender for ..... (the name of the company) ..... CONFIDENTIAL".
- The successful bidder shall furnish a performance bond for the amount of 6 % of the agreed sale price and a letter of intent comprising the price and the terms of the sale. If the letter of intent is not submitted or if the bidder fails to sign the sale contract after the submission of the letter of intent and/or fails to provide the performance bond until the closing date to be determined by KOI, the bid bond will be called by KOI.
- Republic of Turkey Prime Ministry, Public Participation Administration is not subject to the State Tender Law No. 2886 and reserves the right to decide whether or not to sell the shares and to extend the deadline of the tender, if necessary.
- The sale of shares to persons domiciled abroad is subject to all relevant Turkish legislation.


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PLO's

SARAJEVO

CONFLICT

What can be done...

هكذا من الأحرار

# PLO's Security Chief Is Slain

**By Youssef M. Ibrahim**  
New York Times Service

PARIS — A high Palestine Liberation Organization official was shot and killed Monday morning as he returned from a late dinner.

The victim, Atef Bseiso, 44, who was in charge of security and intelligence-gathering for the guerrilla organization, was in Paris for what PLO officials described as a routine trip of consultation with French intelligence officials.

According to reports by French and Palestinian authorities, Mr. Bseiso was killed by two men who used silencer-equipped guns as he returned from dinner with Lebanese friends. The shooting occurred about 1 A.M. in front of the Méridien Montparnasse Hotel.

The killers escaped unhindered, officials said, suggesting that the action was based on information collected inside the PLO about Mr. Bseiso's precise movements and where he was staying.

Spokesman for the Palestinian

leadership in Tunis immediately accused Israel in the slaying.

Callers from two extremist Jewish groups said they carried out the midnight killing, and they threatened more.

[The callers, who telephoned The Associated Press bureau in Paris within 90 minutes of each other, said they represented the Kach International Movement and the Kahane-Chai organization "founded by the son of Meir Kahane." Meir Kahane, American extremist Jewish leader, was shot and killed in New York in 1990.]

In Amman, Jordan, the PLO's chairman, Yasser Arafat, charged that the Mossad, Israel's secret service for operations abroad, was behind the killing.

In Jerusalem, according to Reuters, Ehud Gold, a spokesman for Prime Minister Yitzhak Shamir, dismissed the accusation as "totally and completely ridiculous and does not deserve a response."

Some French officials suggested that the killing might have been the work of the renegade Abu Nidal terrorist group.

The murder was the sixth in France of a senior PLO official since 1972. This reflects both the close ties kept between France and the PLO and the transparency of the PLO's leadership apparatus to its enemies, including Israel and the Abu Nidal group.

Until his murder in Tunis in 1991, Salah Khalaf, Mr. Bseiso's predecessor, maintained regular contacts with French intelligence officials. He and Mr. Bseiso visited Paris secretly every few months for consultations.

They exchanged information on potential terrorist actions in Europe and elsewhere by various terrorist groups about which the PLO is well informed, according to Palestinian and French officials.

After Mr. Khalaf's death, Mr. Bseiso took over the contacts, which were part of an unofficial agreement dating from 1985. That deal included a pledge by the PLO to warn France of any conspiracies it learned about.

France reciprocated with conditional support of the Palestinian cause in international forums.

# MALL: Imported Luxuries Amid Corridors of Marble Reveal Changes in Israel Since 1967

(Continued from page 1)

emphasis on individual values. Although the election campaign may show little sign of it, the political ramifications of these broad changes are becoming more and more evident. In the last two years, huge majorities of Israelis have consistently told pollsters that the Middle East peace process should go forward, and that the country's fragmented political system and state-dominated economy should be sharply reformed.

In every recent poll, a majority are also shown ready to abandon the nationalist dream of keeping forever all of the occupied West Bank and Gaza Strip.

Ultimately, what the evidence shows is that Israel in the 1990s is rapidly nearing the final goal of the first Zionists. It is becoming a "normal" country, driven by the bourgeois material values and secular aspirations common in Western societies, rather than Jewish fears of destruction and another Holocaust, or nationalist dreams of territorial aggrandizement.

Regardless of which government comes to power this summer, Israeli politics in the coming years will likely grow less strident and less ideological, and its leaders more open to making compromises of both principle and territory in exchange for peace and prosperity.

"What is happening is that in many ways, Israel is finally joining the world," said Eli Saggi, dean of economics at Tel Aviv University. "The economy and the larger society have started down paths that really are irreversible. That's why I am optimistic about where we will be by the turn of the century,

and why it almost doesn't matter which party is elected."

Twenty-five years ago, the heroes of Israel were generals, rugged men like Moshe Dayan and Ezer Weizmann who fought the 1967 war. Today, if one were to look for an emblematic representative of Zionism, it might very well be a man like David Assia. Mr. Assia, 40, is neither a general nor a

States for grants." Mr. Assia said. "Our imports exceed our exports. Our gross national product per capita is far lower than European product per capita, and there's no reason it shouldn't be the same. In the future, Israel has to become economically independent, and to do that, it has to be integrated into the world economy."

Like most of the new class of businessmen, Mr. Assia considers himself as ardent a Zionist as were Israel's founders. He is convinced that "you have to have a country to house the world's Jews."

But his forward-looking view of Israel's needs leads him to different conclusions about the goals it should pursue.

"In terms of government policies, if Israel is to become economically independent, I'm not sure some of the political priorities are right," he said in an interview at his cramped Tel Aviv office. "Is it more important to build settlements in the West Bank or to spend the money to absorb more immigrants, give incentives to export companies and build infrastructure for industry?"

Implicit in what Mr. Assia said is the notion that Israeli Jews should aspire to live more or less the same lifestyle, and share the same values, as people in other modern industrial nations, rather than pursuing old obsessions like settling new lands or battling with Arabs over every stone of the biblical Land of Israel.

"Now that I have started traveling a lot, I've noticed that the main streets in the big capitals around the world look more and more the same," he said. "You have the same stores, the same products, the same fast

foods. And the more this happens, the more people are starting to share the same values. This will happen here, as well."

For older or more traditional Israelis — not to speak of the country's Orthodox Jews — such predictions are deeply troubling.

"There are certain days when you wake up and you say, 'We are different,'" said Ehud Gol, a Foreign Ministry official now serving as spokesman for Mr. Shamir. "There are things that make us different from others, and we should maintain this. Because this is our strength. We have not reached the end of our growth yet, we are still building a nation. We don't want to be like every other country."

Many Israelis are quick to point out the ways in which their society still stands apart from most of the West. The heavy requirement for military service for the Jews of Israel — two years for young women, three years for men and annual reserve duty for men up to age 51 — is rarely questioned, and large numbers still volunteer for the paratroops and other elite units.

Psychologically and culturally, the Jews here also remain both more close-knit and more conformist than Western peoples.

A substantial minority of Israelis, too, remain either totally opposed to secular Western values, passionately committed to winning the battle against Palestinians over the occupied lands, or both.

In the last decade, these groups frequently have managed to impose their will on the rest of the country, and will pose a serious obstacle to any major change in the political and territorial status quo.

**'What is happening is that in many ways, Israel is finally joining the world.'**

Eli Saggi, dean of economics, Tel Aviv University.

kibbutz farmer, although he did spend seven years in the army. Rather, he is a high-technology entrepreneur, the chairman of one of Israel's fastest-growing software companies and the leader of an association of 140 software firms.

While the generals of a generation ago fought to establish the Jewish state as an irreversible presence in the Middle East — and succeeded decisively in the 1967 war — Mr. Assia and the other leaders of his age have taken on another, almost equally important task: solving the lingering problem of Israel's economic visibility by creating efficient, technology-intensive new industries that can compete on world markets.

"Today we are dependent on the United

# SARAJEVO: Adagio to the Dead

(Continued from page 1)

Europe, Sarajevo, in a narrow valley bordered on all sides by mountains, has long been the symbol of this richly textured life, enchanting generations of travelers since the present city was established by a Turkish sultan in 1462.

Now it is a symbol of another kind — a place where Muslims, Serbs, Croats, and other religious and ethnic minorities, including Albanians and a tiny population of Jews, suffer together. They endure the gunfire of Serbian nationalists who believe that the independent nation of Bosnia-Herzegovina proclaimed on March 2, and led by Muslims and Croats, will dominate and eventually persecute Serbs.

From this conviction — met with increasing ferocity in many parts of the republic by Muslims and Croats, some of whom have adopted tactics as brutal as those of the Serbs — has grown the war that is draining the life from Sarajevo.

Although the United Nations on Friday reached the outline of an agreement to take control of Butmir Airport, on the city's outskirts, from the Serbian forces and to open a corridor into town, there is little confidence here that the Serbs will cooperate.

By lifting the siege, the Serbs would effectively acknowledge that

they have lost the city, many in Sarajevo believe. Already, all but a few of Sarajevo's suburbs are controlled by Bosnian territorial forces made up of Muslims, Serbs and Croats.

But if relief supplies do not arrive soon, desperation could turn to catastrophe. Only a handful of government services still operate, and those in skeletal state. No one seems to know how many people remain, but it appears to be at least half the city's prewar population of 560,000, possibly many more.

The Serbian nationalist forces allow no food to pass through their roadblocks on the periphery of town, and supplies that have been sneaked past their gun positions on the hills have been minimal. Most families have only loaves of bread baked by the single bakery that continues to function.

At night, the skyline is a facsimile of Baghdad during the Gulf War, with gunners' flares lighting the high-rises of the city center in silhouette and tracer fire skipping across the sky.

The number of dead and wounded is unknown, but gravediggers are hard pressed to keep up with the new bodies, arriving by the hour.

— JOHN F. BURNS

# CONFLICT: U.S. Raid Is Urged

(Continued from page 1)

with little or no food, water, electricity or medical supplies.

"Every hour seems like a year here," Mr. Iztetbegovic said, speaking from an office that had been shaken only an hour earlier by artillery shells that hit the roof and outer wall of the building.

The 66-year-old leader is working in an increasingly chaotic situation in which most telephones have failed and officials in different parts of the city receive instructions from messages read over the Sarajevo television and radio stations.

He said that the government's newly organized territorial defense forces were fighting against odds in trying to prevent the Serbian forces who attacked at dawn Monday in the suburbs of Vraca and Dobrinja from "taking over the city."

Because of the risks of venturing into streets that were turned into a nightmare of exploding shells and sniper fire by the Serbian gunnery, Mr. Iztetbegovic agreed to prepare a statement for relay by telephone to reporters sheltering in an apartment building six blocks away.

Speaking through his daughter Sabina, who translated from the president's Serbo-Croatian, he said that Bosnian government forces were fighting "only with light arms and insufficient amounts of ammunition," and added:

"The aggressor is committing terrible massacres against the civilian population. Such tragedies have never been seen here even during the Second World War."

For more than 12 hours, past midnight, heavy guns set on hillside lookouts directly overlooking Sarajevo attacked targets throughout the densely populated areas of the city with a ferocity exceeding even the weekend shelling that preceded it, sharply worsening conditions for

residents who were already desperate.

In many areas, supplies of water were nonexistent or running critically low, apparently because Serbian officials switched off pumps at the weekend that feed most of the city's water from suburban areas like Ilidza, in the west of the city.

With fires burning uncontrollably in hundreds of buildings and with secondary explosions erupting in some of the high-rise office towers, apartment blocks and factories that were heavily damaged or destroyed by the shelling, the communications system of delivering bread loaves, the last food left for many people, collapsed.

Residents in the central area of the city emerged from basement shelters in vain at intervals throughout the day hoping for the trucks that deliver the loaves, but none appeared, apparently because the streets were considered too dangerous.

In Washington, the State Department said there was starvation in Sarajevo.

Shells blasted residential buildings, Government complexes and historical landmarks in the heart of the city in an apparently random fashion, with volleys of as many as 30 shells a minute hitting the central district, and similar fire ranging all across the valley floor between mountain ranges that encircle Sarajevo.

According to residents who were previously officers in the Yugoslav Federal Army, which supplied most of the gun crews and weapons to the Serbian forces, many of the shells were from the 155-mm howitzers that are the most powerful field weapons in the Serbian arsenal.

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# New Player on Dunhill Team With Lagerfeld, Focus May Shift to Women's Wear

WINDSOR, England — Queen Elizabeth II arrives in Paris on Tuesday for her first pomp-and-circumstance state visit to France in 20 years. In Windsor Great Park this weekend, she was doing what she really enjoys — standing on muddy ground watching sweaty horses thunder by on the polo field.

The Alfred Dunhill Queen's Cup could be seen as an advance celebration of this week's centennial. For the British luxury-goods company that sponsors the polo has just acquired Karl Lagerfeld — both the Paris-based

label is now only 3 percent in smokers' products, with 37 percent in menswear (introduced in 1976), 21 percent in watches and jewelry and 21 percent in leather goods. Dunhill's other brands are Chloé (bought in 1985); the newly acquired Lagerfeld label; Mont Blanc pens, and Hackett, bought in 1991, a small men's outfitter based on British Empire nostalgia encapsulated in the phrase "young fogey."

Is Dunhill planning to challenge the established French conglomerates in the big game? "We do sell to women — we sell pens and watches that women wear — but we are not doing women's wear," says Mike Nicholson, the managing director of Alfred Dunhill. "We saw the need in the mid-1970s to expand the

company and the services of the hot-shot couturier, Lagerfeld will become designer for the Dunhill-owned women's wear company Chloé, where he worked for 20 years until 1985. "It is part of our strategy to develop our interests in the realm of the female luxury market," said Lord Douro, the chairman of Dunhill and heir to the Duke of Wellington, announcing the tie-up with "one of the most important designers in the world."

"It's a stimulus for me," Lagerfeld conceded. "People who are used to something crave more and more, and I am a fashion addict. I know that people will attack me and say that 'he is taking on too much.' But it gives me a new push, which is a healthy thing. Chanel is so established and I don't like that idea. Chloé is something new and fresh."

brand out of smokers' products, and that was followed by a very active period of merchandising and marketing. We made a concerted effort in the Far East and we are very proud to be in the top five brands there, which provides us with the opportunity to grow."

The strategy for the 1990s is to build on Alfred Dunhill's powerful position in the Pacific Basin and a strong one in North America, and to go for growth in the weaker European area. There will also be a push on men's clothing, which the merchandise director Alan Duddle, formerly with Ralph Lauren in the United States, would like to see rising to 50 percent of the business.

"What is happening in the company is a more international appeal and a look at the consumer and what he is looking for," says Duddle. "At Alfred Dunhill we have a unique heritage. But unfortunately there are a few people out there who are more British than we are. The world outside perceives the English quite differently. I suppose that I would define our image as clean, elegant, with obvious quality, consistent and not overstated. I prefer to call it quality, because luxury is such a hackneyed word."

The current menswear look is that bland and beautifully made style that epitomizes British classic, but that has no cutting edge in fashion or distinct vision. A typical outfit is a tailored blazer or sports jacket in very fine fabrics, with trim pants and appropriate shirt with cut-away or polo collar.

The safe, even timid, approach at Alfred Dunhill makes even more significant the wom-

en's wear tie-up with the ebulliently creative Lagerfeld. Chloé and Lagerfeld are under the direction of Mounir Moufarrige, a member of the Dunhill Holdings executive committee, who was the inspiration behind the move over the last decade from smokes to clothes. He says that he had negotiated for more than a year to buy the Lagerfeld company from its owners, Revillon Luxe SA, and to "bury the hatchet" with the designer who had left Chloé "slamming the door."

"I told him to come back to his mother, where he had been for 20 years — but whom he had not come to see for 10 years. I think he liked that," said Moufarrige. "We are a good team. What I like about Karl is that he is very clever and talented and a businessman at the same time. Both brands have a distinct identity: Lagerfeld is strong, pointed for a fashion woman and forward-looking; Chloé has a timeless femininity in a modern way."

Lagerfeld, who already designs couture and ready-to-wear for Chanel and a line for Fendi in Italy, calls himself a "Jekyll and Hyde." "Karl Lagerfeld is the hard edge of my personality and Chloé is the soft edge," he says. "It is not like another collection for me — it is a style that I invented and it is one of my multiple personalities. I am opening a door that has been closed for 10 years — part of my 'patrimoine spirituel' as the French say. It's another spirit but it is still me, like Fendi is Italian side."

Karl Lagerfeld, bought by Dunhill for around £160 million, has not enjoyed the same overwhelming success as Chanel, where Lagerfeld became design director in 1983. Moufarrige believes it will be "easy" to double in three years Karl Lagerfeld's 1991 turnover at retail of £240 million.

"The growth rates have been fantastic, but part of the business has been run with a Cartesian-type strategy — but to our benefit the licenses haven't had time to damage it, and we can now give the brand a visual concept," says Moufarrige. He was referring to a system of handing out short-term licenses, most of which will be up for renegotiation in 1993.

CONFIDENTIAL Moufarrige, boasting that Dunhill owned the "old and ugly" Mont Blanc pen into a cult symbol and made it Alfred Dunhill watch the fourth best seller in the world, contends that "in seven years Chloé can start rivaling Chanel" and that Dunhill will soon be seen as "the English Hermes."

In the luxury industry, where conspicuousness is as key an ingredient as quality, Dunhill and Lagerfeld may have made the perfect match. The designer will get the financial back-up and the structure he has hitherto lacked in his own company to bring his lightning-fast ideas down to earth. Dunhill gets a designer to give its women's wear the strong personality the brand lacks, just in time to celebrate its centennial in 1993.

"And who knows, maybe menswear will be my next push," says Lagerfeld. "I see myself like an abstract vision. What I like best is being in the studio — that's all I'm asking in life. For me, it is a case of doing it for doing it."



At the Dunhill polo event, from top right, Koo Stark (left) and Joan Collins; Mary Lou Vanderbilt-Whitney (left) and Cristina Ford; Queen Elizabeth II and the winning team. Top left, Karl Lagerfeld, Lord Douro.

## STYLE MAKERS

### N.Y. Epidemic

#### THANKS FOR NOTHING

NEW YORK — The cards are small and white, with or without colored borders, containing short, scrawled messages. These little missives mean only one thing: You're about to be stroked.

Lately they have been pouring in from all quarters, a Niagara of effusive appreciation. "Thanks for the wonderful lunch," "Thank you so much for telling it like it is," "Thank you for coming to our party/dinner/fashion show/press event/perfume launch/boutique opening."

It used to be that you were expected to thank them for having you. Now they thank you for coming. There was even one that said, "Thanks so much for your consideration, even though you were unable to attend."

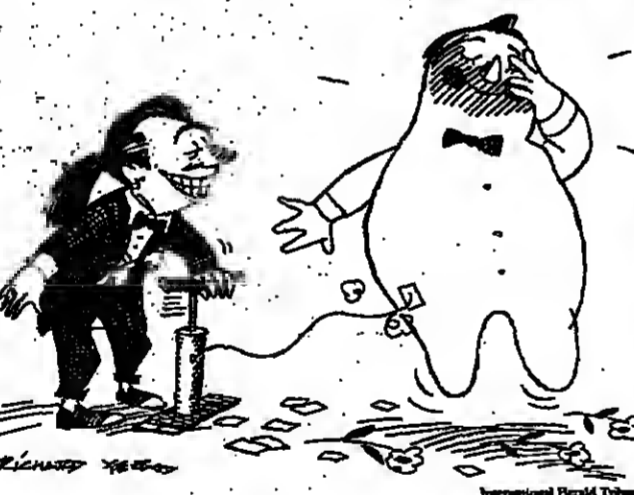
Not to seem ungrateful, one must point out that he has done virtually nothing for anybody worth mentioning lately. But even wretched persons continue to be thanked, even more so.

It seems to be part of an upsurge in stroking behavior, which finds expression in everything from testimonial dinners to Arsenio Hall, who actually strokes the hands and knees of his guests on television.

Expressing genuine appreciation is an admirable thing. For instance, we should perhaps thank our parents every day of our lives for conceiving and nurturing us.

Today's expressions of appreciation, in their perfect delicacy and absolute enthusiasm, seem to be substitutes for the more fundamental kinds, but with a professional-etiquette twist.

Stroking definitely works. President Bush is said to be an expert stroker, having written personal handwritten notes from the beginning of his career.



inches, are called correspondence cards and were never meant to supplant the tradition of letter writing. The size of the paper makes the idea of writing seem less daunting. A Tiffany salesman said they now out-sell all other forms of stationery.

A slash mark, or stroke, is typically drawn through the last name at an acute angle by the writer, so indicate that he or she is on a first-name basis with the recipient. This literal stroke is a vestige from the calling cards of a pre-telephone era, when friends would drop by unexpectedly and announce themselves by card.

A childish scrawl is a la mode. Indeed, the completely illegible note, as a token of appreciation, also doubles as a subtle sign that the sender is so enormously busy that he or she barely has the time to dash off the words.

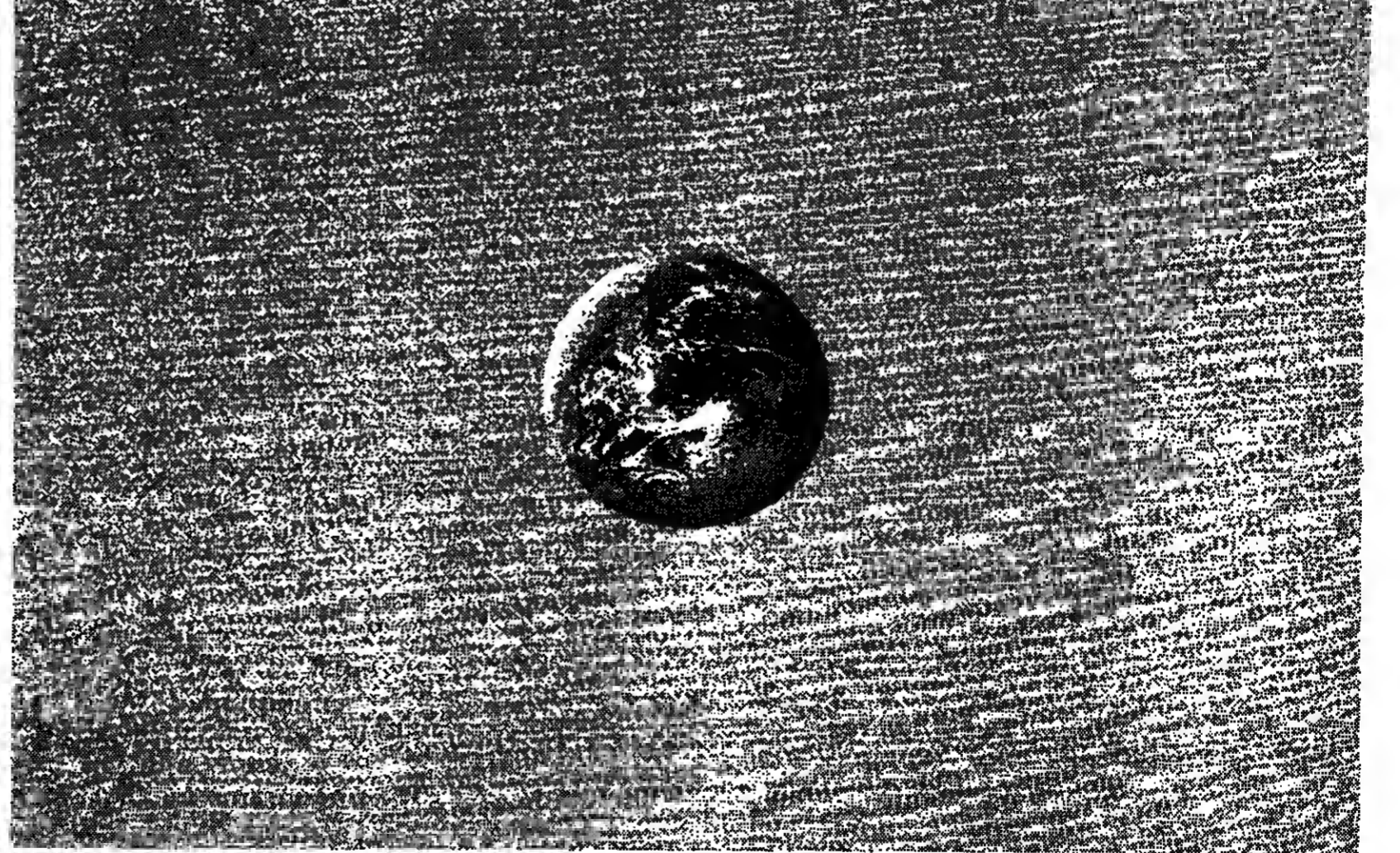
"Thanks you so much for your wonderful mmit luvur nit don blab."

Nevertheless, it is a rare tribute. The spirit is also reflected in more public discourse. Society columnists typically precede mentions of celebrities and socialites with key stroke words: the beautiful so-and-so; the long-legged Mrs. Such and Such.

These mentions are doubtly appreciated, no doubt, but a simple name drop will usually do. Mary McFadden, the fashion designer and socialite, for years was known to send out a single rose, which arrived in a long florist's box, to any reporter or columnist who mentioned her name, no matter what the context.

There is also calibrated stroking. The novelist Jay McInerney, interviewed by Dick Cavett recently on television, related the story of his first screenwriting experience in Hollywood. When the studio flew

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**The Balkans Won't Wait**

Bosnia, now being ripped apart by bombs and pogroms, screams out an urgent warning. A blood tide is rising in Eurasia's ethnic archipelago, islands of human settlement shaped by centuries of migration, colonization and conquest. Demands for ethnically homogeneous states threaten civil wars, mass expulsions and unending cycles of revenge. The only alternative is to construct, quickly, ways to protect the political, economic and human rights of threatened minorities within existing borders. Such constitutional protections need to be backed up by international guarantees, enforceable by, say, NATO, the UN Security Council, or even some ad hoc coalition of military powers. If that seems wishful, then the present "ethnic cleansing" in Bosnia may be only a prelude to wider disaster. Perversely, it was communist totalitarianism that checked overt ethnic violence in the archipelago during recent decades. But hatreds burned below the surface. And through persecution, deportation and border changes, Stalin, Tito and other dictators added fresh layers of grievance. With the collapse of communism, demagogues demand instant remedies to history's complex injustices. Unite all Serbs under Serb rule. Restore Nagorno-Karabakh to Armenia. Croatia for the Croats. Such slogans have the innocent ring of self-determination. But in the ethnic archipelago most of the land can be fairly claimed by more than one group. Croatia's Serbs lived among their Croatian neighbors for centuries; they were originally recruited to help repel the Turks. Both peoples are south Slavs, virtual ethnic cousins. But Croats, long under Austrian rule, are mainly Roman Catholic, while most Serbs are Orthodox Christians. Bosnia's Muslims are south Slavs, too; their ancestors converted to Islam during Turkish rule. The three groups are so closely intertwined in Bosnia that cities like Sarajevo would have to be divided street by street to create separate states. Further east in the Caucasus, different empires molded the archipelago. Mongol, Ottoman and czarist conquerors swept over Armenia, Georgian and Kurdish areas, leaving over borders and peoples. Some of these ethnic islands are more compact and homogeneous than others, but in no case is unilateral border revision a good idea. The international community has a stake in the integrity of borders and in the economic and political viability of new states. The simplest way to protect that stake is to reinforce minority rights before conflict gets out of hand. Such pre-emptive collective security would be a departure in world politics. But so was the coalition to liberate Kuwait. As events in the Balkans now make plain, when the blood tide rises in the ethnic archipelago, the outside world is compelled, sooner or later, to get involved. Better sooner. —THE NEW YORK TIMES.

**Russia's Unpleasant Job**

To make a market economy work, Russia has to curb inflation by getting bank lending and credit under control. But much of the country is now living on credit and the economy is oozing with debt. Cutting that down is as cruel as it sounds, since Russia now provides unemployment compensation. But any substantial reduction threatens an epidemic of disruptive strikes. The basic question is the speed with which the Russians can make the transition to the market and how much stress their society can bear in the process. Few of the large state-owned enterprises will survive in an open economy — not, at the least, without huge layoffs and reorganizations. So far most of them have managed to stave off that unpleasant prospect by desperately borrowing from each other and from the banks. The reformers in the Russian government, like the International Monetary Fund, point out that curbing credit is the only way to force forward a painful but necessary transformation. The man in the middle, the chairman of the Central Bank of Russia, resigned this past week. He was being pulled in one direction by the reformers and in the other by the parliament, which, like parliaments in most other countries, responds energetically to pleas to save jobs. Then, to compound the confusion, some of the parliament's deputies changed their minds and voted to reject the resignation. Most of the \$24 billion in aid that the West promised Russia two months ago is contingent on the reforms and, specifically, a much lower inflation rate. Russia just became a member of the IMF, but it now looks as though IMF aid will not begin to flow as soon as the Russians had hoped. The questions about bank credit and inflation have to be settled first. While Russia's choices are being posed in the language of finance and economics, they are fundamentally political. The reformers in Moscow, like the donors of aid in the West, keep urging the Russians to make the leap to market capitalism quickly because speed will mean less pain and an earlier payoff. If the Russian leadership can summon the strength and skill to move fast, it will have much support from the West and increasing close relations with it. But if the reforms were to be overwhelmed by political compromises, Russia would be left largely to its own resources, and as it turned inward again, its new friendship with the West would be unlikely to flourish. In the Russians' struggle over the management of their central bank, it is not only credit limits but the next stage of their political revolution that is at stake. —THE WASHINGTON POST.

**Restrain the Arms Flow**

It is no secret that the Bush administration helped build up Iraq militarily before going to war against it. Last week, Mr. Bush acknowledged that his policy of accommodation had flopped. Still, his bureaucracy continues to sell arms to the volatile Middle East. All the talk about restraining arms trafficking remains mostly that — just talk. The United States and the four other permanent members of the UN Security Council — who also happen to be the five leading arms merchants to the Middle East — have just produced modest but useful guidelines to restrain nuclear, chemical and biological arms. But they did nothing to institute guidelines, agreed to earlier, that could slow the sale of conventional arms. And so wonder. While the United States keeps talking, its Mideast arms sales are booming. That gives little incentive to the other sellers for restraint. Shortly after the Gulf War ended, President George Bush told a joint session of Congress that he would seek to restrain destabilizing conventional arms buildups in the Middle East. In May 1991 he invited five-power talks on restraints. Since then, however, even as the negotiators kept talking, arms sales have mushroomed: \$8.5 billion in U.S. arms alone. Moreover, the administration has accelerated efforts to promote sales. In 1990 it reorganized the State Department's Office of Munitions Control, which is responsible for regulating commercial arms exports. The office was subordinated to a new Center for Defense Trade, whose mission is "to regulate and facilitate U.S. defense trade." In practice, the center has spent more time "facilitating" than "regulating." Boosting sales has been its top priority. The administration argues that carefully calibrated sales can serve stability by maintaining a regional balance of power. But the Iraqi experience shows the perils of miscalculation. And arms sales cannot assure stable regimes; witness the fall of a well-armed Shah of Iran. Mr. Bush now has a fresh chance to encourage restraint. He was planning to sell 72 F-15E "Strike Eagle" fighter planes, an advanced model never exported, to Saudi Arabia. But election year politics in the United States and Israel have conspired to force postponement of the sale until next year. Mr. Bush can put the time to good use by trying to persuade the British not to sell the Saudis Tornado fighters, in exchange for which he would agree to stop the F-15E sale. That would be a real, not rhetorical, attack on the Middle East arms bazaar. —THE NEW YORK TIMES.

**Other Comment**

**A Real Politician Would Do**

Somebody does have to run for president, and somebody has to be president, act like a president, lead like a president. Because if nobody is president, if the office is bought up by conglomerates and its functions farmed out to a lot of newly minted ideologues, certain crucial bits of national business don't get done. Whole cities implode, whole generations lose faith in the American purpose. Our greatest presidents have not been spiritualist visionaries or nonsense businessmen. They've been masters of compromise who could embrace America's crazy contradictions. Maybe things aren't bad enough yet to call for a great president. But the times being what they are, we sure could use a real politician. —Andrew Ward, a writer and radio commentator, in *The Washington Post*.

**Cut Back on Nuclear Testing**

The Bush administration has been presented with a pregnant moment in history to end the insanity of the arms race. The Cold War is over, and U.S. bomb factories are broken down. Pressured by U.S. allies are broken down. Pressured by the former Soviet Union, the administration is considering reductions in nuclear testing. The options under study range from a pledge to halve the number of underground tests to virtually ending all such tests by 1995. Predictably, the Defense Department is not keen on these proposals. But the Departments of State and Energy, as well as the Arms Control and Disarmament Agency have indicated that they think some cutbacks are a good idea. So do we. The bigger the cuts the better. —Seattle Post-Intelligencer.

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**Campaign '92: Grumbling in the Front Row**

The season of presidential primaries has come to a close. As the Republican and Democratic conventions draw into view, and as a formal Perot candidacy appears almost certain, political leaders and commentators make their picks and assess the road ahead.

MY decision to support Ross Perot came without regard to the electoral consequences, because I do not believe that it makes any real difference whether Bill Clinton is elected or George Bush is re-elected. Our great country is in trouble. The answer to our problems is not likely to come from either major party, because the nomination processes of both exaggerate the influence of interest groups, reward extreme positions, produce a public discourse that is irrelevant to the average citizen and create a cynicism about the political process that discourages participation. This badly flawed system has produced two good, well-intentioned men whose public careers have been spent working on the margins of our problems at a time when our core problems grow exponentially worse. Does anyone believe that four years from now, under either a Bush or a Clinton administration, that the budget deficit will be significantly reduced, that our schools will be better or that our problem of decaying infrastructure will be addressed? I believe simply that the possibilities of a Perot presidency are more promising and compelling than the certainties of a Clinton or Bush presidency. —Hamilton Jordan, who ran Jimmy Carter's campaigns in 1976 and 1980 and is co-chairman of the Perot campaign, in *The Washington Post*.

EDWARD J. ROLLINS, who ran Ronald Reagan's campaign in 1984 and is co-chairman of the Perot campaign, in *The Washington Post*.

THIS ERA must end." Thus said a staunch Democrat who was urging me to endorse Mr. Perot. He is right. This era must end. The economic and social policies of Mr. Bush are bleeding this country dry, drop by drop. Four more years of this visionless, roll-driven man and we will leave chaos to our children. Thus, Bill Clinton. But it is Mr. Perot that is getting all the attention. Why? Because today the vast majority of Americans do indeed want this era to end and they will vote for either Mr. Clinton or Mr. Perot on that basis. For Mr. Clinton to win he must do one thing: convince people he will be the real "agent of change." That means tough choices on very diffi-

cult issues: the deficit, entitlements, competitiveness, budget priorities. You can't be for the middle-class tax cut and the Seawolf submarine and be credible on this issue of tough choices. Waiting for Mr. Perot to implode or throw the election into the House may get one elected, but it doesn't create the mandate or end the era. It will be a prize not worth having. —Paul Tsongas, who withdrew as a presidential candidate in March, in *The New York Times*.

SOME CHARGE that the Perot phenomenon represents a growing "authoritarian" threat. I find that hard to believe. The undeniable fact is that thousands of volunteers are putting this man's name on the ballot because they are dissatisfied with the establishment choices. They are petitioning to have their voices heard, which is anything but authoritarian. It is democracy in its truest form. —Edward J. Rollins, who ran Ronald Reagan's campaign in 1984 and is co-chairman of the Perot campaign, in *The Washington Post*.

LOST IN THE HYPE over Mr. Perot are the substantive achievements Mr. Bush has piled up as president. Voters must be reminded that his record in 40 months outshines the accomplishments of most two-term presidents. Mr. Bush proposed and signed into law the tax credits that enable parents to choose child care. He got through Congress a clean Air Act, which environmentalists had been pushing for 13 years. He gathered the nation's governors and conceived America 2000, a plan to improve our schools. He backed and signed the Americans with Disabilities Act, providing hope and economic opportunity for millions. His \$150 billion Transportation Act will create 600,000 jobs this year. He got Congress to agree to a cap on spending.

On top of this Mr. Bush's foreign-policy record is unmatched by any recent world leader. He reduced the danger of nuclear war with the START accord. He won the Gulf War. Through personal diplomacy he shaped the revolutions of 1989 and 1991, thereby winning the Cold War. The problem has not been his presidency; he simply has not been a very good salesman. He shouldn't have to be. Leadership should not be confused with salesmanship. He must remind voters that leadership requires the wisdom and ability to make a decision when the fate of the country or the world hangs in the balance. It isn't moderating an electronic town meeting. —William F. Weld, Republican governor of Massachusetts, in *The New York Times*.

MANY CONSERVATIVES have concluded they can live with a Bush defeat. Mr. Bush cannot win conservatives back with promises after he broke most of his old ones. He should fire Samuel Skinner, Nicholas Brady, Richard Darman, William Reilly and others who represent the establishment that grass-roots Americans have identified as the Enemy. He should put the White House and campaign in the hands of credible conservatives — Jack Kemp, Dick Cheney, William Bennett, Vin Weber. As conservatives say: Personnel is policy. He should give Kemp & Co. a free hand to design a program and a platform for a second administration. Mr. Bush may not have a vision for America, but there are those in his party who do, and he should let them run things. If he refuses to return to the winning formula of 1980, '84 and '88, in January he'll be sharing a limousine with a Texas billionaire. —Richard A. Viguerie and Steven J. Allen, authors of "Lip Service: George Bush's 30 Year Battle With Conservatives," in *The New York Times*.

THE PEOPLE are restless. They are angry and frustrated. We are restless because we feel pushed against the wall by forces we cannot fight alone and Washington is out on our side. Our jobs are disappearing and our children are without prospects. We are angry because we thought we had a contract with our government: We would be hard-working and pay our share and the government would lead us into economic prosperity. We are frustrated because we seem to be on the down escalator to the bargain basement and we are the cheap goods. For the first time we fear the future. My message to those running for office is that the people are ready to reclaim Washington. The people will respond to someone who sees public service not just as an honor, but as a public trust and — as a job. —Ann W. Richards, Democratic governor of Texas, in *The New York Times*.

**The Bush-Yeltsin Summit Dance Could Be Tricky**

By Jim Hoagland

MOSCOW — The shadow of war and peace hovered over U.S.-Soviet summit meetings during the Cold War. When George Bush welcomed Boris Yeltsin to Washington this coming Monday, the biggest shadows hanging over their meeting will be cast by the political rivalries each leader faces at home. For Mr. Yeltsin, the state visit to Washington is another round in his battle to eclipse his globally lionized predecessor, Mikhail Gorbachev. For Mr. Bush, the summit meeting is a welcome opportunity to look presidential and to underline foreign policy experience that neither Bill Clinton nor Ross Perot can claim. Paradoxically, it may be harder for Mr. Bush and Mr. Yeltsin to help each other achieve such seemingly modest goals than it was for past American and Soviet leaders to help each other at home through summits. Nixon-Brezhnev and Reagan-Gorbachev interspersed long periods of tension with seemingly friendly summit chats and momentous-sounding agreements that reassured domestic audiences. That kind of drama does not surround Bush-Yeltsin. Wrestling with

the problems of potential partnership is a messier process than dealing with enemies. And for all the attempts of their subordinates to get the chemistry right, the Russian and American presidents still do not have a high level of mutual confidence. Here in Moscow it is no secret that Mr. Bush infuriated Mr. Yeltsin by hosting Mr. Gorbachev for dinner at the White House last month. Mr. Bush's decision overrode clear and strong objections to American officials from Yeltsin aides. The White House also disregarded advice from Ambassador Robert Strauss to do less for Mr. Gorbachev as a way for doing more for Mr. Yeltsin at the summit meeting. Unfortunately, the warm reception Mr. Gorbachev received from Mr. Bush, from Congress and corporate America has emboldened the ex-Soviet leader to step up his sniping at Mr. Yeltsin. In a May 29 interview with *Komsomolskaya Pravda*, Mr. Gorbachev grabbed credit for most of the \$24 billion aid package that Mr. Bush is trying to put together for Russia. "In 14 days I persuaded America

to help Russia," Mr. Gorbachev said. He added: "When I thought about these \$24 billion, I realized that they boiled down to the \$11 billion of credit I had solicited, plus \$5 billion to \$6 billion for economic stabilization I had urged" at the Group of Seven industrial democracies summit meeting in London last year. Describing a luncheon on Capitol Hill, Mr. Gorbachev told the Russian newspaper: "Senators were coming and going, to attend the voting procedure, and by the end of the lunch they reported that Congress' foreign relations committee had voted for Bush's proposal to help Russia. They came running to me with the news." Mr. Gorbachev, profoundly unpopular at home, eagerly plays the American card here to one-up Mr. Yeltsin. Claims that obsequious American legislators run to Mr. Gorbachev with their money understandably make the Russian president see red. "Shut up or I will eat you," is a fair summary of a statement that Mr. Yeltsin's office immediately issued when the interview was published. "Nyah-nyah," was in essence

**The Indonesian Ritual Is Here Again**

By James Clad

JAKARTA — On Tuesday nearly 100 million voters will choose candidates for 400 elective seats in Indonesia's parliament. It will be the fifth parliamentary election since Suharto, then an army general, became president 25 years ago after a failed leftist coup. Many Indonesians say the outcome is a foregone conclusion. Besides, real political power lies elsewhere, with the president and the armed forces. Suharto has always been chosen unopposed by an assembly convened especially for the purpose a year after the parliamentary polls. Comprising both members of parliament and a large number of government nominees, this assembly will almost certainly repeat that ritual in 1993. The harshest critics dismiss parliament, which has 100 appointed military members as well as 400 elected members, as a rubber stamp, but this may be going too far. Nonetheless, the three parties contesting the polls must embrace Indonesian state ideology known as Pancasila, an amalgam of Hindu, secular principles designed to promote religious tolerance and prevent the country from fragmenting. Cobbed together more than 20

years ago from a miscellany of parties, the three political groups authorized to contest the parliamentary elections — the government-backed Golkar, the Indonesian Democratic Party, and the Muslim-oriented United Development Party — also face restrictions in the brief campaign period. They are forbidden any grass-roots organizing between these carefully controlled campaigns that are held only once every five years. Indonesia's political style, heavily influenced by Javanese culture, tends toward an indirect approach even when fundamental issues are at stake. Some opposition leaders, such as Noto Daryanto, secretary-general of the Indonesian Democratic Party, have been risking a more confrontational stance. He has decried Golkar's dependence on the military, whose tight watchful presence in the villages guarantees a pro-government vote. Both the Indonesian Democratic Party and the United Development Party also have criticized government policies that limit political activity, increase the gap be-

between rich and poor and allow members of the president's family to establish business monopolies. The Indonesian Democratic Party is hoping to defeat Golkar in greater Jakarta, which has a population of 14 million and a growing middle class. But the United Development Party, weakened by the government's steady erosion of any distinct Muslim appeal it might offer, seems set to lose some of the 61 seats it won in the last elections in 1987. In that poll, Golkar took 299 seats and the Indonesian Democratic Party 40 seats. This time, there has been more openness in the campaign and more direct reporting of issues by the media. Another Golkar victory is assured. To be fair, it will be based, in part, on voter satisfaction with the government's economic successes. But the basic arbiters of power and political stability in Indonesia will remain Suharto and the armed forces. The writer, a former correspondent for the *Far Eastern Economic Review* in Asia, is a senior associate at the Carnegie Endowment for International Peace. He contributed this to the *International Herald Tribune*.

Mr. Gorbachev's counterresponse. Mr. Strauss reportedly has offered some cool-it counted to the two men. Assigned here to woo Mr. Gorbachev, he has established a good working relationship with Mr. Yeltsin. Mr. Bush will find Mr. Yeltsin eager to emphasize the visit's importance. Mr. Yeltsin tells friends with pride that he will be only the fifth foreign president to address a joint session of Congress. But Mr. Yeltsin also will be quick to take offense at anything that fails to meet this test. The task Mr. Bush now faces is to make this summit meeting special for Mr. Yeltsin — to find the symbols, acts and perhaps even funds that show there are goals the democratically elected president of Russia can achieve in partnership with America that the former leaders of the Soviet Communist Party could not. Mr. Bush also bears the burden of defining new frontiers in the American-Russian relationship. A clear success in Washington could also help Mr. Bush's political fortunes. Mr. Bush travels to Munich and Helsinki in July for international summits on the global economy and peacekeeping in Europe. If the Labor Party wins Israel's June 24 election, future prime minister Yitzhak Rabin could be whisked to the United States for a warm welcome from Mr. Bush. It is not as good as having a mortal enemy who can be induced to smile from time to time. But beyond the Cold War, friends will have to do, even if they are less reliable. —The Washington Post.

**IN OUR PAGES: 100, 75 AND 50 YEARS AGO**

**1892: Kaiser Extolled**  
VIENNA — At the solemn mass celebrated at Buda Pesth this morning [June 8] the Kaiser and the Archdukes Albert, Carl Ludwig, Joseph and Frederick wore the crimson uniforms of Hungarian cavalry Generals, while the Hungarian Guard wore their medieval dress of red coats and silver helmets and carried pikes. Primate Vascary, after the service, delivered a long address in which he spoke of the Kaiser as the first of the Hungarians, of whom none was more faithful to the Constitution than he or had greater respect for the laws. At noon the Kaiser received the members of both houses of the Hungarian Parliament.

**1917: A Queen's Escape**  
AMSTERDAM — Queen Wilhelmina had a miraculous escape yesterday [June 7] in a railway accident between Schalkwyk and Houten. Five carriages, including two occupied by the

**Perot's Call Is Enough To Frighten**

By Anthony Lewis

BOSTON — Ross Perot is the most interesting thing that has happened to American politics in years. He is also the scariest. He has tuned in brilliantly to Americans' frustration with government, their perception that life in their country is growing worse and politicians do nothing about it. He has convinced an astonishing number of people that he can fix things if he is put in charge. He has not said what he would do about hard problems and voters don't seem to care. He has indicated how he would govern. That's the scary part. "The electronic town hall" is his idea. Every so often he would put on a television program about an issue: how to deal with the budget deficit, say. His people, congressmen and others would argue different views. Then the public would vote — by push-button telephone or postcard. "If we ever put the people back in charge of this country and make sure they understand the issues," Mr. Perot says, "you'll see the White House and Congress, like a ballet, prouetting around the stage getting it done in unison." Direct democracy. But who will "make sure" the people understand the issues? The opportunities for manipulation are overwhelming. Few of the issues that confront governments are so simple that they can be decided by putting a telephone button or checking a postcard. In fact, that kind of direct democracy is usually a device to transfer real power to a maximum leader. Mussolini made himself Il Duce by saying he would end political stalemate and make the trains run on time. At his best crowds chanted "Duce! Duce! Duce!" and the parliament was reduced to a rubber stamp. Demagogues of all kinds have used popular referendums to overwhelm parliamentary opposition. Fidel Castro tried his opponents before chanting crowds in a football stadium. The image of politicians prouetting at the people's command is not a happy one, given the history of this country. Doubts about Mr. Perot's proposed method of governing are strengthened when one looks carefully at the man who would be in charge. Mr. Perot has a record of ruthless determination to get his way when he thinks he is right, which is always.

Here is a small example, the more frightening because it is so small. John Wheeler, who was chairman of the fund that built the Vietnam War Memorial in Washington, told the story in the *Los Angeles Times*. Mr. Perot was against Maya Lin's winning design for the memorial, the low black wall with the names of America's dead inscribed in the order of their death. He told Mr. Wheeler that unless the design was changed as he wanted, "I'll wipe you out." Mr. Perot hired Roy Cohn, the New York lawyer, to stop the memorial from being built as designed. Mr. Cohn demanded the memorial fund's records, charging it had misused money. An audit showed nothing wrong. After delay caused by Mr. Perot's obstruction, the memorial was built.

Frank Borman, the former astronaut, was once hired by Mr. Perot to try out the electronic town meeting idea. But he told Michael Kelly of *The New York Times* that he had come to think it was a bad idea, one with "enormous potential for manipulating the emotions of people" and intimidating Congress. "You realize as you get older that a lot of issues are very profound and difficult to understand," Mr. Borman said. "I don't think you can govern 250 million people with a TV set."

The founders of the United States, the men who wrote the constitution, chose not direct democracy but a representative republic. And they created a system with many checks and balances, knowing that it would not be as efficient as tyranny but preferring liberty to efficiency.

The checks and balances have become frustrating in our day, with Congress and the presidency politically divided. But safety is still better than efficiency. Robert Michel, the Republican Leader of the House, made the case when he warned last month against "the glib reply, the demagogic gift for oversimplification." He said of Mr. Perot: "He isn't the first, not going to be the last, to say that democracy isn't working and that if you trust me with power I'll solve your problems. That message, sometimes sinister, sometimes just downright silly, has been heard all over the world at various times in this century. That siren call has enchanted good, decent people who are frustrated and disillusioned." —The New York Times.

**1942: Battle of Midway**  
PEARL HARBOR — [From our New York edition:] The first eyewitness account of the Battle of Midway Island, detailing its most violent stages, was related today [June 8] by a wounded American naval aviator, who told of floating in the sea and watching a line of burning Japanese ships pass by. He told of the thunderous and highly unsuccessful attack by American dive-bombers and torpedo planes on Japanese aircraft carriers. From his "fish-eye" view he watched the desperate circlings of Japanese naval planes, unable to land on their blazing and battered mother ships.

The World Leaves... Israel has offered housing for Arabs... But Arab monarchs could transform... prefer the creation of publicized mis... Citizenship Law... There is a... Israel has offered housing for Arabs... But Arab monarchs could transform... prefer the creation of publicized mis... Citizenship Law... There is a... Israel has offered housing for Arabs... But Arab monarchs could transform... prefer the creation of publicized mis... Citizenship Law... There is a...

مکان الأصيل



OPINION

The Worse-Is-Better World Leaves No Room for Peace

By William Safire

GAZA. Disputed Territories in Israel... "We will go to Gaza," said Ariel Sharon, Israel's housing minister and most controversial hawk, strapping his bulk into a small helicopter.

But sealing off the horbed of Palestinian nationalism, temporarily denying 60,000 workers access to their jobs in and around Tel Aviv, is a mistake. Although intended to encourage Arabs to restrain violence, such collective punishment advances the PLO goal of "the worse the better" — to fan resentment and breed new terrorists.

Israel has offered to build housing for Arabs in Gaza. But Arab monarchs — who could transform life in Gaza — prefer the continuation of publicized misery.

is prettier and more productive than Florida's Palm Beach. The Jewish settlers selected to be greeters were not religious zealots, but people who chose to pioneer in a desert to build a life for their families and create a "fact on the ground."



The pattern of settlements already points the way to sensible compromise, with Arab population centers free to work toward federation with the Palestinian state across the Jordan River. But worse-the-better hypocrites and quick-fix diplomats will not see the political miracles oozing on display in the Holy Land.

vote. It's as if 25 million new Americans hit the shores of the United States, with a third getting jobs and the disappointed remainder looking at Ross Perot. (Most lean to Labor, with Likud likely to narrow the gap toward June 23.)

Would They Even Miss the View?

By Hans Koning

NEW HAVEN, Connecticut — On Cape Cod a season back, the winter light seemed to imitate art: It had the neutral, square-edged quality that I only knew from the paintings of Edward Hopper.

lights" rule, which makes it impossible to put up a house right in front of someone else's windows and thus replace an established view of the sea with a view of the new neighbor's bathroom!

Two strips of such landscapes of straggy and sparse dunes and woods line the Cape, one on the ocean side, one on the bay side, for its final 20 miles or so until it peters out at its Provincetown point.

MEANWHILE ing around the Cape gives me. I became almost thankful for the depression (or if you insist, recession), for having at least put a brake on the wildest of these enterprises.

of a view of the land and the sea (without spoiling the look of that land and sea). The pity is that in the Anglo-American cultural heritage there seems to be no room for that.

A virtually windowless bar within a hundred feet of an ocean may have looked a perversion, but I could see a kind of philosophical meaningfulness in those dark places where people focused tenaciously on their beers or Bourbons-and-branch-waters or at the utmost on their faces in the bar mirror.

LETTERS TO THE EDITOR

Citizenship Laws in the Baltics: History Is What Counts

Misconceptions about the treatment of Russian-speaking minorities in the newly independent Baltic states persist. William Curtis Cooner Jr.'s appeal to deny the Baltics aid and trade because of their "ethnically restrictive laws" on citizenship ("Shun Ethnic Nationalists," Letters to the Editor, May 21) demonstrates this fact.

population dropped from 88 percent and 77 percent in 1939 to 61 percent and 52 percent by 1989, respectively. For this reason, all three Baltic states have moved to grant automatic citizenship to those who were citizens of the interwar republics, regardless of ethnicity, and to their descendants. By those rules, an estimated one-quarter of the Russian-speaking community currently living in ethnically diverse Estonia and Latvia are automatically citizens.

For 50 years, Moscow tried to force the Baltic peoples into the Soviet mold. In drafting citizenship laws halled as among Europe's most liberal by the Conference on Security and Cooperation in Europe and the Council of Europe, the Baltic states have again demonstrated the studied tenacity that brought them to independence with a minimum of bloodshed, unlike Yugoslavia and various regions of the former Soviet Union, where ethnicity does in fact play a key role.

RIINA KIONKA, Radio Free Europe/Radio Liberty Research Institute, Munich.

get on with the peace, however difficult or trying that may be. The embargo is to punish Vietnam. While America's allies have gone along with it, their resolve to stick by the United States is waning. In some cases it has disappeared altogether.

DAVID LYMAN, Bangkok.

to Americans' basest desires? Mr. Yardley eats his good old anti-pop culture jeremiad and scapegoat cake — and has it, too. He echoes '50s denunciations of Elvis, diatribes against idiot-box TV, and the snobbish grunts and moans that have bedeviled U.S. mass culture since schoolchildren were force-fed Shakespeare in 19th century America.

How convenient for Mr. Yardley (and Vice President Dan Quayle) to omit the fact that U.S. popular culture allows a cornucopia of diverse values. Please do not overlook this democratic strength of U.S. pop culture. As Al Smith said in 1928, "All the ills of democracy can be cured by more democracy." Diversity of expression fuels a healthy social debate.

JOHN DEAN, Strasbourg, France.

On a Photo From Bosnia

While Serbian militiamen were holding as hostages in a Sarajevo suburb thousands of Muslim women and children who were attempting to leave the besieged city, you published alongside the front-page story on the subject ("Serbs Take Tough Line on Hostages," May 21) an Associated Press photo of a Serbian family seeking shelter in Bijeljina.

It is of course true that innocent civilians are the first to suffer in wars. But one cannot help wondering about the timeliness and appropriateness of the photo's publication, all the more so as Bijeljina is the town where the Serbian forces launched their policy of "ethnically cleansing" Bosnian areas they covet. Widely circulated photos taken during the Serbian conquest of the nearly defenseless city show members of the infamous Arkan "Tigers" — a fascist militia that works hand in hand with the Yugoslav Army — kicking the bodies of massacred Muslims lying in the streets.

Perhaps the survivors forcibly expelled from Bijeljina — and their compatriots from the other predominantly Muslim parts of the Drina Valley, who are sharing their fate — would not appreciate your effort at being evenhanded in this matter.

NORMAN GRITZ, Paris.

Operation Owl Storm

Regarding the report "Bush Environment Policy: Opening Up the Land" (May 21) by Keith Schneider:

Having failed to remove Saddam Hussein, George Bush has now decided to show that he's a real tough guy by exterminating the poor Northern Spotted Owl. He is doing this because Dan Quayle's Council on Competitiveness thinks it will save them from losing a few Republican votes. How pathetic.

PHILIP SWANN, Geneva.

The key to security.



This key, reputedly derived from an idea of Henry II of France, opens two locks. It illustrates how an earlier age combined security with practicability.

The nineties promise to be a decade of turbulence. In any event, rapid change is on the cards. You'll have to cope with this change. And secure your assets against erosion. At Swiss Bank Corporation, we've designed our private banking around people like you. High net worth clients who seek personalized care and premium service. Our portfolio managers are dedicated to cultivating long-term client relationships, moulding solutions to your particular needs. Backed by decades of experience, a worldwide network of contacts and the financial strength of SBC, they can offer you a strategy to optimize your portfolio performance: whether you opt for growth or long-term security. Why not call one of our people? They know how to listen. In Basel: Michel Meyrat, 41 61 288 2074, Frankfurt: Heinrich Schreiber, 49 69 71 401 700, Geneva: Alan Moses, 41 22 376 6725, London: Louis F. Ackermann, 44 71 711 4855, Luxembourg: Nicolas von May, 352 45 20 30 222, Zurich: Fritz R. Rigoni, 41 1223 2221 and in more than 50 other major cities around the world.



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INTERNATIONAL STOCKS

Local Bears Put Damper On South Korean Market

By Steven Brill
SEOUL — A few years ago, when the South Korean economy seemed destined to follow a Japanese trajectory...

Instead, after a surge of buying in January and February, Monday at 563.65, down 5.55 points, has slid nearly 10 percent since the beginning of the year...

Judged by Western analytical techniques, good buys abound, mostly in small and medium-sized companies with undervalued share prices and improving profit prospects...

THE OUTLOOK is also clouded by the presidential election in December, which will decide what candidate will become the nation's first nonmilitary leader next March...

The initial influx of foreign funds quickly filled the quotas on the most attractive stocks. Demand was further limited because many of the bluest blue-chips — Kia Motors Corp., for example...

Over the past five years, wages have doubled and the won has strengthened, but productivity has failed to keep pace. Korean companies find themselves squeezed by Japanese companies...

But Western analysts say the stage is being set for a turnaround in corporate profits and in the stock market. Although the government's efforts to cool the economy will reduce corporate sales next year, this will be more than offset by lower interest rates and reduced depreciation charges.

Yeltsin Delays Freeing Oil Prices

Change in Tactics Flouts Condition Of IMF Aid Plan

MOSCOW — President Boris N. Yeltsin of Russia said energy prices would not be freed before the end of 1992, apparently flouting International Monetary Fund demands to end state price controls...

Freeing oil prices is a key condition set by the IMF for the release of its promised \$24 billion in aid to Russia and other former Soviet states to help them switch from a command economy to capitalism.

The U.S. secretary of State, James A. Baker 3d, and Foreign Minister Andrei V. Kozhevnikov said Monday that Russia remained committed to economic reforms.

Mr. Baker said the Russian government had "a continuing political commitment and will to adopt free-market economic reforms...

Mr. Yeltsin, who last week brought several former Soviet officials into his cabinet, said he was not backing away from the strategy of economic change.

One of the changes, he said, was the timing of the oil-price liberalization, which specialists estimate will send prices up about 60 percent.

The government raised oil prices sixfold last month as a preliminary move before lifting all price controls.

Mr. Yeltsin stressed that, after the first price hike, energy prices would not be raised before the end of the year, the news agency quoted him as saying in Nizhny-Tegul.

An acute cash shortage followed the first stage of reform in January, which ended state control over the price of most consumer goods.

Workers in many industries have gone months without pay, and only personal pleas by Mr. Yeltsin have averted widespread strikes in the vital energy sector.

The Ecu: What's in a Name?

Although it was Denmark that gave the first "no" vote to the treaty on economic and monetary union among European Community members, the Germans have been increasingly uneasy with the idea of giving up the Deutsche mark for a European currency unit.

Q. I realize that all 12 don't currently meet the targets to join the monetary union. But do you think existing exchange rates are sustainable or is there a need for one last currency realignment?

A. One cannot answer it directly. We have had no realignment in almost five-and-a-half years and the EMS is functioning. So the question is "can one expect that this can go on up to the last minute or not?" It depends on how quickly those countries which up to now are outside the stability criteria can come into it.

Q. What do you make of talk in Paris that France could revalue the franc against the Deutsche mark?

A. As far as I can judge, this is a discussion not put forward by the French government. It's a private idea.

Q. What do you think of it? A. It doesn't look like this would be any solution for France. You can't have both a revaluation and lower interest rates. I think France is more interested in the latter.

See GERMANY, Page 12

U.S. Contractor Sets \$1 Billion Stock Buyback

WASHINGTON — General Dynamics Corp. said Monday it would pay up to \$975 million to buy back 30 percent of its shares as part of a long-term strategy to shrink its business for a new era of reduced Pentagon spending.

The oves seat General Dynamics stock, which had already been trading at a premium among defense stocks, still higher, it rose \$5.625 to \$71 on the New York Stock Exchange, roughly the middle of the range of \$65.375 to \$75 that the company said it would pay under the buyback.

Although some defense companies are looking to maintain their size by finding new civilian lines of business, General Dynamics has determined to shrink by selling off divisions that are not part of its core defense business, and sharing the cash proceeds with its stockholders.

In the last 18 months, the company has sold off its in-house computer operations to Computer Sciences Corp., its Cessna private aircraft division to Textron Inc. for \$600 million and its missile operations to Hughes Aircraft Co., a division of General Motors Corp., for at least \$450 million in stock.

Among the stockholders pushing the strategy are the Crown family of Chicago, which controls 22 percent of General Dynamics. The Crowns indicated that they would tender about half of their 9 million shares which, if accepted, would put about \$330 million of cash in their pockets and still leave them with 15 percent of the company.

Industry analysts have reported that the Crowns had been looking for a means of getting some cash out of their General Dynamics investment while paying as little tax as possible on the transaction. Under a stock-repurchase plan, all shareholders will be taxed only on their capital gains.

Even after paying off most of its long-term debt, General Dynamics had \$1.2 billion in cash at the end of March, with another \$450 million expected from the sale of the missile division. Analysts also expect the company to generate about \$500 million in cash from its operations in 1992.

Most analysts predicted that the buyback program would provide a long-term boost to the price of General Dynamics shares.

Among the beneficiaries of such a jump will be General Dynamics executives themselves who, under the company's incentive compensation plan adopted last year, will be entitled to buy 1.3 million shares at \$49 each beginning in February 1994.

Marietta Adds Chip Center

LITTLETON, Colorado — Martin Marietta Corp. and Vitesse Semiconductor Corp. have established a design center here for gallium arsenide integrated circuits that conform to military standards, the companies said Monday.

The center will be incorporated with Martin-Marietta's design laboratory for very large-scale integration.

Vitesse, based in California, is the world's biggest supplier of gallium arsenide microelectronics. Gallium arsenide is a crystalline material that conducts electricity faster than generic semiconductors.

The Dollar Stars in Volcker's Book

NEW YORK — Nobody will ever mistake Paul A. Volcker's new book for a Hollywood exposé, but the former Federal Reserve Board chairman does let loose with more than a few barbs in a narrative of the ups and, mostly, downs of the dollar over the last five decades.

He mocks "starry-eyed Reaganians" who believed tax cuts were a "magic elixir" that would make deficits go away. He calls John S. Reed, the Citicorp chairman, "young and rather brash."

He faults former Treasury Secretary Donald T. Regan for being oblivious to the harmful effects of the soaring dollar in the early 1980s and for "being more than a little impolite" to the finance ministers of the leading industrial powers.

In the book, which was written with Toyoo Gyohten, who used to direct international affairs for Japan's Finance Ministry, Mr. Volcker even criticizes one of his predecessors at the Fed.

He writes that the monetary policy of Arthur Burns was too slack in the early 1970s, helping to create strong downward pressures against the dollar.

In an interview last week, Mr. Volcker said the book was not intended to settle old scores. Instead, in the text he explores the breakdown of the system of fixed exchange rates, how the United States served as the fulcrum of the world's monetary system and how America's economic leadership has been hurt by the dollar's slide and the nation's failure to get its economic house in order.

He acknowledges that it would be virtually impossible to go back to fixed rates, but in order to reduce the volatility of exchange rates he recommends developing a target range of rates among the United States, Europe and Japan.

He believes governments would not only have to intervene in currency markets to keep rates within those ranges, but would also use monetary and fiscal policy to the same end.

Much of the book describes behind-the-scenes meetings in which central bankers and finance ministers struggle to cope with the dollar. Out of the text emerges a sadness that something has gone awry with the American economy.

In the interview, he said, "After having been rich and strong, people have begun losing sight of what's necessary to maintain efficiency and strength. We seem to be in a mood as a nation that consumption is the all-important thing. The more you consume and the less you invest, the less efficient and productive you're likely to be."

The book, "Changing Fortunes: The World's Money and the Threat to American Leadership," is based on lectures the co-authors gave at Princeton. Lawrence Malkin, New York correspondent for The International Herald Tribune, helped edit it.

The book describes the 1944 conference in Bretton Woods, New Hampshire, that set the rules for the international monetary system.

See VOLCKER, Page 12

U.K. Widens Investigation Of Maxwell

LONDON — The government broadened its investigation of the empire of the late Robert Maxwell by announcing Monday that it was studying the April 1991 flotation of Mirror Group Newspapers PLC.

The government also urged bankers who lent money to Mr. Maxwell using pension-fund assets as security to accept a "moral obligation" and help pay back retirees.

Investigators probing Mr. Maxwell's affairs after his mysterious death at sea last November say he stole as much as £450 million (\$820 million) from pension funds to prop up shares of his two publishing companies, Mirror Group and Maxwell Communication Corp.

Administrators running the Maxwell businesses say that £100 million of the £217 million held as collateral by banks still remains.

The Department of Trade and Industry said it had appointed two inspectors to investigate Mirror Group, particularly last year's sale of a 49 percent stake.

The Serious Fraud Office, a state prosecuting agency, is investigating an alleged share-support scheme at Maxwell Communication Corp.

The London Stock Exchange officially delisted Maxwell Communication shares on Monday. Mirror Group shares remain suspended.

As expected, the government also offered £2.5 million of temporary assistance to the retirees.

Parliament still has to ratify the government's privatization program, a separate document giving specific targets and deadlines for privatization in most spheres of the Russian economy for 1992. Debate is scheduled for Thursday.

Mr. Chubais also said that the government had rejected proposals to return property seized by the Bolsheviks after the 1917 revolution, blaming such moves for chaos in Eastern Europe. (UPI, Reuters)

CURRENCY RATES

Table with columns for Currency, Bid, Ask, and other financial data.

Other Dollar Values

Table with columns for Currency, Bid, Ask, and other financial data.

Forward Rates

Table with columns for Currency, Bid, Ask, and other financial data.

INTEREST RATES

Eurocurrency Deposits

Table with columns for Currency, Bid, Ask, and other financial data.

Key Money Rates

Table with columns for Currency, Bid, Ask, and other financial data.

Momentum for Change

Government ministers and central bank officials said Monday that they had won two crucial battles with conservative opponents in Parliament, swinging the political pendulum back in favor of more radical economic changes, oves agencies reported from Moscow.

Conservatives were defeated on Friday in their effort to give factory workers the sole right to acquire shares in their state-owned enterprises when they are privatized.

And attempts by lobbyists to stop the central bank from raising the interest rate paid by commercial banks to 80 percent also failed.

Anatoli Chubais, head of the State Property Committee, said attempts by Communist deputies to amend Russia's privatization law and turn it into a "free handout of state assets to workers' collectives" had failed.

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U.S. Money Market Funds

Table with columns for Fund Name, Assets, and other financial data.

Asian Dollar Deposits

Table with columns for Currency, Bid, Ask, and other financial data.

GOLD

Table with columns for Location, Bid, Ask, and other financial data.

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MARKET DIARY

Stocks End Mixed As Drug Issues Fall

Administration, Omniflox is reportedly linked to 30 severe reactions. Abbott said it would take a charge to second-quarter earnings as a result of the withdrawal.

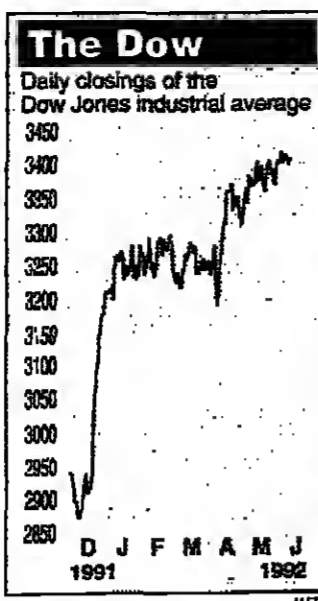


Table with columns: Vol, High, Low, Last, Chg. for NYSE Most Active.

Dow Jones Averages

Table with columns: Open, High, Low, Last, Chg. for Dow Jones Averages.

Standard & Poor's Index

Table with columns: High, Low, Close, Chg. for Standard & Poor's Index.

NYSE Indices

Table with columns: High, Low, Close, Chg. for NYSE Indices.

NASDAQ Indices

Table with columns: High, Low, Close, Chg. for NASDAQ Indices.

AMEX Stock Index

Table with columns: High, Low, Close, Chg. for AMEX Stock Index.

Dow Jones Bond Averages

Table with columns: Close, Chg. for Dow Jones Bond Averages.

EUROPEAN FUTURES

Table with columns: Close, High, Low, Prev. Close for European Futures.

Stock Indexes

Table with columns: High, Low, Close, Change for Stock Indexes.

Industrials

Table with columns: High, Low, Last, Settle, Chg. for Industrials.

Metals

Table with columns: Bid, Ask, Prev. Bid, Ask for Metals.

Dividends

Table with columns: Company, Dividend, Ex-Dividend Date for Dividends.

Spot Commodities

Table with columns: Commodity, Today, Prev. for Spot Commodities.

U.S. FUTURES

Table with columns: Season, Open, High, Low, Close, Chg. for U.S. Futures.

Grains

Table with columns: High, Low, Open, High, Low, Close, Chg. for Grains.

Metals

Table with columns: High, Low, Open, High, Low, Close, Chg. for Metals.

Livestock

Table with columns: High, Low, Open, High, Low, Close, Chg. for Livestock.

Financial

Table with columns: High, Low, Open, High, Low, Close, Chg. for Financial.

U.S. / AT THE CLOSE

Entergy to Buy Gulf States Utilities

NEW ORLEANS (Reuters) — Entergy Corp. said Monday it had agreed to acquire Gulf States Utilities Co. in a \$2.3 billion deal that will create one of the South's biggest electric utilities.

White House Rebuffs Japan on Trade

WASHINGTON (AFP) — The United States wants free and fair trade with Japan, the White House said Monday in a message that rejected Japanese allegations of unfair trading practices.

MCI's Founder, McGowan, Is Dead

WASHINGTON (Reuters) — William G. McGowan, who fought AT&T for years to build MCI Communications Corp. into the second U.S. long-distance telephone company, died on Monday of a heart attack.

Big 3 Automakers Join in Research

DEARBORN, Michigan (UPI) — The Big Three of U.S. automakers announced Monday a new umbrella organization to share research on emission reduction and fuel economy.

For the Record

Avon Products Inc. said it would close its manufacturing operation in Alcala de Henares, Spain. Credit Lyonnais received about 2.7 million common shares of Pathe Communications Corp. in response to its tender offer for 5.8 million shares that expired June 5.

Dollar Eases as Fed Lends Support to Struggling Lira

NEW YORK — Uncertainty over the outcome of the Maastricht treaty on European union and the prospect for a cut in U.S. interest rates pinned the dollar in tight trading ranges on Monday.

Germany: Concerns About Monetary Union

(Continued from first finance page) The Ecu would have the same value. A. That's your hypothesis to which I would not subscribe — that there are no exchange-rate changes.

Volcker: On the Dollar

(Continued from first finance page) the monetary system, the breakdown of that fixed-rate system in the early 1970s, the Latin debt crisis of the 1980s and the Plaza Accord of 1985, which sought to bring the stratospheric dollar back to earth.

World Stock Markets

Table with columns: Market, Close, Prev. for World Stock Markets.

Markets Closed

Stock markets in Australia and in most of Europe were closed Monday.

Markets Closed

Stock markets in Australia and in most of Europe were closed Monday.

Singapore

Table with columns: Close, Prev. for Singapore.

Milan

Table with columns: Close, Prev. for Milan.

Tokyo

Table with columns: Close, Prev. for Tokyo.

London

Table with columns: Close, Prev. for London.

Montreal

Table with columns: Close, Prev. for Montreal.

Toronto

Table with columns: Close, Prev. for Toronto.

Stocks

Table with columns: Stock Name, Close, Prev. for various stocks.

AMEX Most Active

Table with columns: Vol, High, Low, Last, Chg. for AMEX Most Active.

NYSE Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows for NYSE Diary.

AMEX Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows for AMEX Diary.

NASDAQ Diary

Table with columns: Advance, Decline, Unchanged, Total Issues, New Highs, New Lows for NASDAQ Diary.

Grains

Table with columns: High, Low, Open, High, Low, Close, Chg. for Grains.

Metals

Table with columns: High, Low, Open, High, Low, Close, Chg. for Metals.

Livestock

Table with columns: High, Low, Open, High, Low, Close, Chg. for Livestock.

Financial

Table with columns: High, Low, Open, High, Low, Close, Chg. for Financial.

Industrials

Table with columns: High, Low, Open, High, Low, Close, Chg. for Industrials.

Metals

Table with columns: High, Low, Open, High, Low, Close, Chg. for Metals.

Livestock

Table with columns: High, Low, Open, High, Low, Close, Chg. for Livestock.

Financial

Table with columns: High, Low, Open, High, Low, Close, Chg. for Financial.

Stock Indexes

Table with columns: Index Name, Close, Prev. for Stock Indexes.

Commodity Indexes

Table with columns: Commodity Name, Close, Prev. for Commodity Indexes.

Market Guide

Table with columns: Market Name, Close, Prev. for Market Guide.



# New Rate Worries Send Italian Markets Reeling

Compiled by Our Staff From Dispatches  
MILAN — Stocks and bonds fell sharply on Monday amid growing fears of a fresh rise in interest rates and the uncertain outlook for economic and monetary union in the European Community.

The situation is critical because the Bank of Italy increased one rate last week but the lira has not stabilized against the Deutsche mark, said Carlo Alberto Bruno, economist at Akros Finanziaria in Milan. He added that it was possible that the central bank "will be forced into raising the discount rate as well."

Last Thursday, the central bank raised the rate at which it gives emergency funding to credit institutions to 13 percent from 12.5 percent. The move came in the wake of the rejection by Danish voters of the Maastricht treaty on EC union, a result that raised doubts about

European integration and put pressure on weaker EC currencies.

The lira fell to 756.40 to the Deutsche mark, from 755.92 on Friday, erasing the gains made after the rate increase.

Giorgio Pilla, economist at IDEA, a London-based forecasting firm, said the central bank may raise the discount rate by a half point, to 12.5 percent, if the lira weakened to 758 or 759 to the mark.

The 12 percent government bond due 2002 fell about a half point, driving its yield up to 11.48 percent, from 11.35 percent on Friday and 11 percent a week ago.

Weakness on the stock market was exacerbated by the failure of the screen-based trading system because of technical problems. The MIB index closed 1.4 percent lower at 951.

(Bloomberg, Reuters)

# EC Warns on Brand-Name Limits

By Charles Goldsmith

BRUSSELS — The case settled last week involved Chiquita bananas, but legal experts in the European Community said the underlying principle applied broadly to other products and would lead to greater consumer choice in brand names and resulting lower prices.

U.S.-based Chiquita had sought to prevent use of the trademark Fyffes by an Irish company that in 1986 bought Fyffes Group Ltd., a British-based former subsidiary of Chiquita.

The EC Commission ruled that companies selling a commonly known subsidiary could not unreasonably restrict the purchaser in the use of the subsidiary's brand name. According to the experts, it marked the commission's first clear statement on the anti-competitive effects of restricting brand-name use.

"The case makes it clear that any restrictions on the use of brand names must be minimal and absolutely necessary or they violate EC competition law," said a commission official.

Although Irish-based Fyffes PLC was prohibited from using the Fyffes brand name until 2006 for

the sale of bananas outside Britain and Ireland, the commission said that such an agreement unduly restricted competition within the rest of the EC.

"The commission is saying that the no-use agreement that continued to restrict the Fyffes name was not a fair agreement," said a spokesman for Sir Leon Brittan, the EC competition commissioner. "Since Chiquita was no longer using the Fyffes name on the continent, the no-use clause only suffocated competition."

After the commission voiced its objections, Chiquita agreed to allow Fyffes PLC to use the Fyffes trademark on the European continent, closing the case.

"Noncompetition clauses are common in mergers and acquisitions, because the acquiring company must have some time to digest the new company and incorporate that firm's connections," said a Brussels lawyer.

"But where five years might be a reasonable restriction, a noncompetition clause for 15 years would look more like a partitioning of the market," the lawyer said, adding that in the Chiquita case, the commission seemed to be extending those principles to brand names.

# RTZ Sells Stake in Rio Algom

Compiled by Our Staff From Dispatches  
LONDON — RTZ Corp., the world's largest mining group, said Monday it had sold its 51.5 percent stake in Rio Algom Ltd. of Canada to Canadian investors for \$118 million (\$215.8 million).

RTZ said it had decided to sell the stake because of the possibility of a conflict of interest arising between Rio Algom and RTZ's other North American minerals interests. The stake, which totals 22.5 million shares, has been placed with institutional investors at 16.10 Canadian dollars (\$13.50) per share, payable in three installments over the next two years.

Since the net asset value of the Rio Algom stake is \$148 million, the sale will result in a one-time after-tax loss of about \$30 million. In 1991, Rio Algom contributed \$11 million of RTZ's net earnings of \$308 million.

Rio Algom, formed in 1960, was RTZ's main Canadian mining operation until 1989. Since then, however, growth and acquisitions, including the purchase of BP Minerals for \$3.7 billion three years ago, have expanded RTZ's North American interests.

## GPA Raises Its Offering

GPA Group PLC, the Irish aircraft-leasing company, said it was increasing the size of its public offering to 85 million shares, from 80 million, following stronger-than-expected interest from Japanese and U.S. investors, Agency France-Press reported from London.

GPA expects the shares to be priced at \$10.00 to \$12.50 per share, raising \$850 million to \$1.1 billion. The offer closes June 16. Of the shares, 61 million are being sold by the company and 24 million by shareholders.

Nomura International PLC, which is coordinating the global sale, said it had the option of issuing 12.75 million more shares.

# Charges Drag Profit Down 22% At BAA in Year

Compiled by Our Staff From Dispatches  
LONDON — BAA PLC said Monday its pretax profit fell 22 percent in the latest financial year because of exceptional charges tied to property losses and staff cuts.

The British airport operator said profit totaled £192 million (\$351 million) in the year ended March 31, from £247.3 million a year earlier.

Pretax profit before exceptional items was little changed, at £283 million from £284 million.

Exceptional charges rose to £91 million, comprising £55 million in provisions for property losses and £36 million in costs of a voluntary staff-reduction program, from £36.7 million.

BAA shares rose 17 pence, to 682 pence, on the London Stock Exchange. Analysts said the results were encouraging because they were achieved despite the higher-than-expected exceptional charges.

(Reuters, Bloomberg)

## U.K. Consumer Credit Falls

Agency France-Press  
LONDON — The amount of new consumer credit extended in Britain fell for the eighth time in nine months in April as households continued to repay debt despite the Conservative election victory on April 9.

Net credit outstanding fell £56 million (\$103 million) to £50.02 billion, compared with a drop of £71 million in March.

# Investor's Europe

Frankfurt DAX	London FTSE 100 Index	Paris CAC 40
1850	2700	2100
1800	2600	2000
1750	2500	1900
1700	2400	1800
1650		1700
1600		
1550		
1500		
1992	1992	1992
Exchange	Index	Monday Close
Amsterdam	CBS Trend	Closed
Brussels	Stock Index	Closed
Frankfurt	DAX	Closed
Frankfurt	FAZ	Closed
Helsinki	HEX	Closed
London	Financial Times 30	2,057.30
London	FTSE 100	2,848.80
Madrid	General Index	253.80
Milan	MIB	947.00
Paris	CAC 40	Closed
Stockholm	Affarsvariden	Closed
Vienna	Stock Index	Closed
Zurich	SBS	Closed
		Prev. Close
		% Change
		130.50
		5,949.84
		1,789.07
		714.24
		618.68
		2,077.40
		-0.97
		2,668.90
		-0.85
		254.64
		-0.33
		963.00
		-1.86
		1,961.58
		1,091.87
		450.83
		670.90

Sources: Reuters, AFP

## Very briefly:

- Asil Nadir, former head of Polly Peck International, has had 46 of 69 theft charges against him dismissed by a British court, his lawyer said.
- Banco Central Hispanoamericano SA said it wanted to swap its Banco de Fomento unit for a European bank of similar size, probably in France; Fomento had assets of 298 billion pesetas (\$3 billion) at the end of March.
- Romania's privatization office said its first sale would be the Ursus brewery at Cluj-Napoca; 51 percent will be sold to the public and 49 percent will be sold to two or three major holders in Romania or abroad.
- Asea Brown Boveri's ABB Power Plants said a consortium it is leading won a \$1.8 billion order to build a steam power station and desalination plant in Abu Dhabi; ABB said its part of the deal was \$975 million.
- Aerospatiale of France said the German government had unblocked funding for its joint project with MBB GmbH to build a replacement for the Exocet missile; the project now awaits French government approval.
- Ireland's six-week-old postal strike ended, but officials said it would take at least a week to clear a backlog of 8 million letters; international service remained suspended.
- Racal Electronics PLC's Racal Radar Defense Systems Ltd. said it had won a "significant" contract to supply radar equipment and engineering support for the Rapier low-level air defense system of Oman's air force.

AFP, Reuters, Bloomberg

# Renault of Spain Expects Sales to Rise

AFP-Exel News

SEVILLE — Renault SA of Spain expects 1992 sales revenue of between 27 billion francs (\$5 billion) and 29 billion francs, up from 23.5 billion francs last year, according to the chief executive, Francis Stahl.

He said he expected profit to be markedly higher in 1992 than last year. Earlier, the company announced a first-quarter pretax profit of 141 million

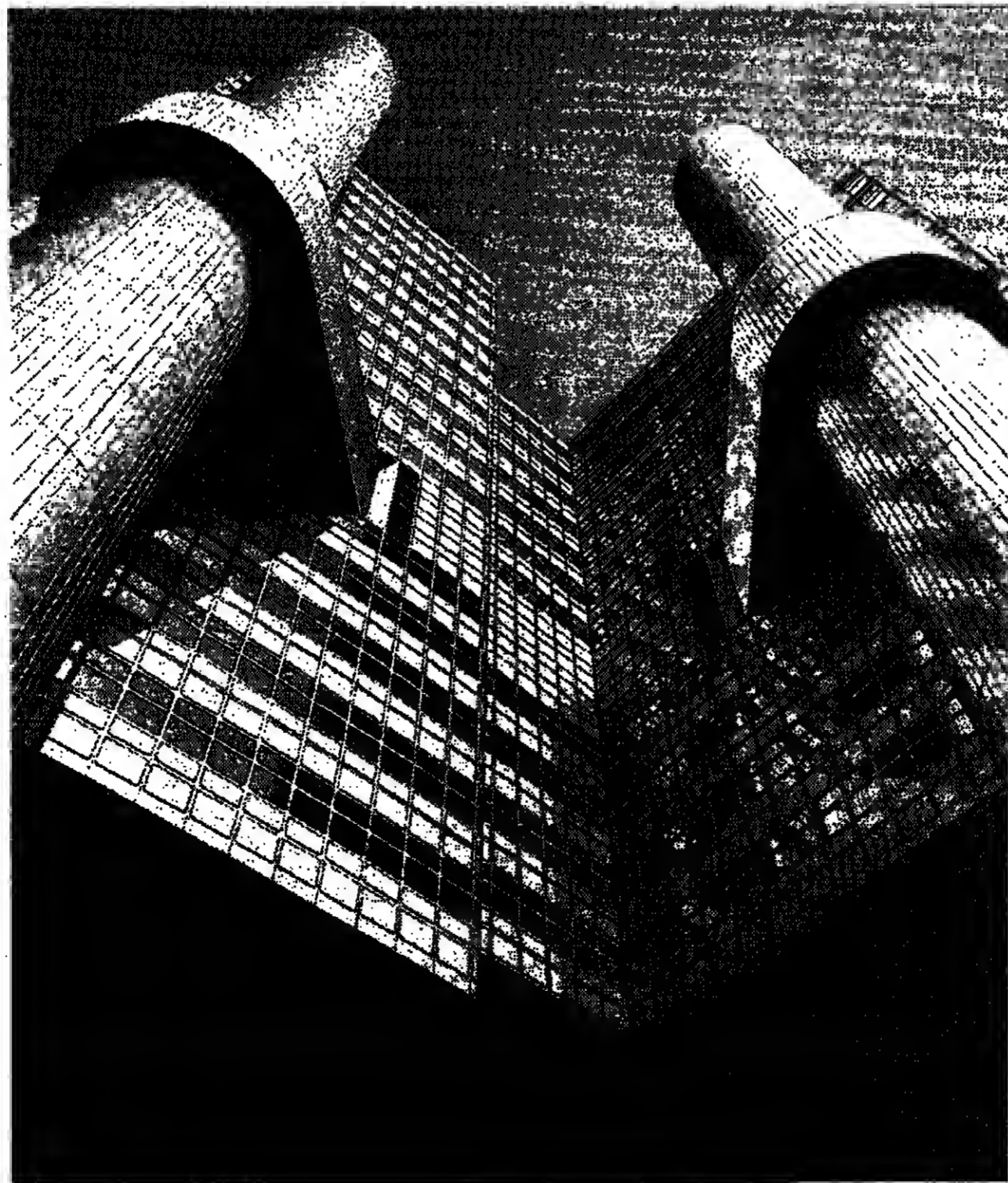
francs, up from 6 million in the first quarter of 1991.

Mr. Stahl said the company was Spain's leading carmaker in the five months to May, with 18.4 percent of the market. Sales volume was up 13 percent to 83,830 units in the period, against 74,000 in the like period last year.

The Clio remained the leading model, on sales of 31,550 units, followed by the Renault 19, with 30,000.

# HYPO-BANK

# TOP RESULTS IN 1991



Bayerische Hypotheken- und Wechsel-Bank again posted outstanding results in 1991. Group assets advanced by 10.6% to DM 193 billion while group operating profits surged 27% from DM 1.075 billion to DM 1.365 billion.

Total assets of the parent bank went up 7.8% to DM 134.2 billion. Operating profits at DM 1.170 billion surpassed the record level set a year earlier by 22.6%. HYPO-BANK AG is maintaining its 26% dividend to shareholders.

In 1991, HYPO-BANK again made substantial progress in broadening its investment management and building finance capabilities in Germany and abroad. Hypo Capital Management, Bankhaus Maffei, Foreign & Colonial (London) and Anlage- und Kreditbank (Zurich) all strengthened their service capability. Domestic and international investment funds, a growing business of HYPO-BANK, also performed well.

## Highlights of our consolidated Balance Sheet for 1991 in million DM

Total assets	193,102
(Total assets parent company)	(134,210)
Total loans	152,108
General banking	(55,735)
Mortgage banking	(96,373)
Total deposits and long-term liabilities	182,297
General banking	(86,815)
Mortgage banking	(95,482)
Shareholders' equity	5,885

Despite the recession in the U.K., the real estate activities of the London branch expanded, as did residential property lending of the London-based subsidiary MSL. In view of the equally difficult situation in the US real-estate market our New York branch limited itself to the extremely selective financing of office and commercial property.

Hypobank International S.A., Luxembourg, celebrated its 20th year by recording especially good results. Fueled by brisk credit demand, total assets rose by DM 1.8 billion to DM 10.1 billion.

Results achieved so far in 1992 and our projections for the year point to another rewarding performance for HYPO-BANK and its shareholders. For further information and your copy of our 1991 Annual Report, please contact us at Theaterstr. 11, D-8000 Munich 2, Germany, Tel.: (89) 92 44-43 40.



Your need is our challenge

# NASDAQ

## Monday's Prices

NASDAQ prices as of 4 p.m. New York time. This list compiled by the AP, consists of the 100 most traded securities in terms of dollar value. It is updated twice a year.

Stock	Div	Yield	PE	High	Low	4 PM	Chg
AAV							
ADP							
ADI							
ADP							
ADP							
ADP							
ADP							
ADP							
ADP							
ADP							

Stock	Div	Yield	PE	High	Low	4 PM	Chg
ADP							
ADP							
ADP							
ADP							
ADP							
ADP							
ADP							
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ADP							
ADP							

Stock	Div	Yield	PE	High	Low	4 PM	Chg
ADP							
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Stock	Div	Yield	PE	High	Low	4 PM	Chg
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Stock	Div	Yield	PE	High	Low	4 PM	Chg
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Stock	Div	Yield	PE	High	Low	4 PM	Chg
ADP							
ADP							
ADP							
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ADP							

Notes: Prices are unofficial. Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the future trading day. Where a split or stock dividend amounting to 50 percent or more has been paid, the year's high-low range and dividend are shown for the new stock only. Unless otherwise noted, dividends are annual distributions based on the latest declaration.

a - dividend in arrears; b - dividend declared in preceding 12 months; c - new record low; d - dividend declared or paid in preceding 12 months; e - dividend in Canadian funds, subject to 15% non-residence tax; f - dividend declared after split or stock dividend; g - dividend paid this year, omitted, deferred, or no action taken or intent declared or pending; h - dividend declared or pending this year, on an accumulative basis with dividends in arrears; i - new issue in the past 52 weeks. The high-low ranges begin with the start of trading; nd - not data available; P/E - price-earnings ratio; s - stock split. Dividend begins with date of split; sis - split; v - dividend paid in stock in preceding 12 months, estimated as a new record low; w - with warrants; x - with warrants; y - without warrants; z - without warrants.

ns - no stock; n - no data; n/a - not available; n/d - not data available; n/r - not reported; n/s - not shown; n/t - not traded; n/w - not with warrants; n/x - not with warrants; n/z - not without warrants.

ns - no stock; n - no data; n/a - not available; n/d - not data available; n/r - not reported; n/s - not shown; n/t - not traded; n/w - not with warrants; n/x - not with warrants; n/z - not without warrants.

Korean Plan H Airport

هنگام التحليل

Koreans Plan Huge Airport

SEOUL — South Korea announced plans Monday to build a \$1.7 billion international airport that it hopes will become an air-transport hub of Northeast Asia.

The airport would be built on a tidal flat between two islands off Incheon, the western port that now serves as South Korea's main trade base with China. It would handle up to 100 million passengers a year.

Taiwan Spreads Wealth Abroad as Travel Grows

TAIPEI — Cash-rich Taiwan people are expected to spend a record \$6.5 billion to \$7 billion abroad this year as overseas travel booms, a senior central bank official said Monday.

HSBC Depressed By O&Y, Midland

HONG KONG — HSBC Holdings stock tumbled on Monday, dragging down the Hong Kong market, after the bank confirmed its exposure to Olympia & York and Friday's surprise decision by Lloyds Bank to drop out of the bidding for Midland Bank.

World Bank Criticizes Jakarta Report Calls for End to Monopolies, Wider Borrowing

JAKARTA — The World Bank has criticized two trade monopolies run by sons of President Suharto of Indonesia, saying they go against otherwise praiseworthy deregulation program.

Electoral Euphoria Lifts Manila Stocks to Record

MANILA — Renewed investor confidence following last month's election drove share prices 4 percent higher on Monday to set a record close for the third straight trading session.

Thai Stocks Seen in Narrow Range

BANGKOK — The stock market is expected to consolidate around current levels this week, though rapid price movements are possible because of continued political uncertainty, analysts said Monday.

Investor's Asia

Table with columns for Hong Kong, Singapore, Tokyo, and various stock indices. Includes a line graph showing index trends from 1992.

Very briefly:

- Yue Yuen Industrial (Holdings), a Hong Kong sports-shoe manufacturer, will sell 660 million shares next month to raise around 780 million Hong Kong dollars (\$100 million), sources close to the company said.

Large table titled 'INTERNATIONAL FUNDS' listing various investment funds with columns for fund names, currencies, and prices. Includes sub-sections for 'Other Funds' and 'Global Assets Management'.

For information on how to list your fund, fax Simon OSBORN on (33-1) 46 37 52 12.





SPORTS NBA FINAL

Bad News Braves: Justice and Smoltz Lead Blitz of Padres

The Associated Press David Justice seems to have found his stroke and the Atlanta Braves seem to have found their stride. That can't be good news for the rest of the National League West.

Justice drove in four runs with a homer and triple and John Smoltz turned in the Braves' third straight solid pitching performance Sunday as Atlanta beat the San Diego Padres, 9-4, completing a sweep of their three-game series.

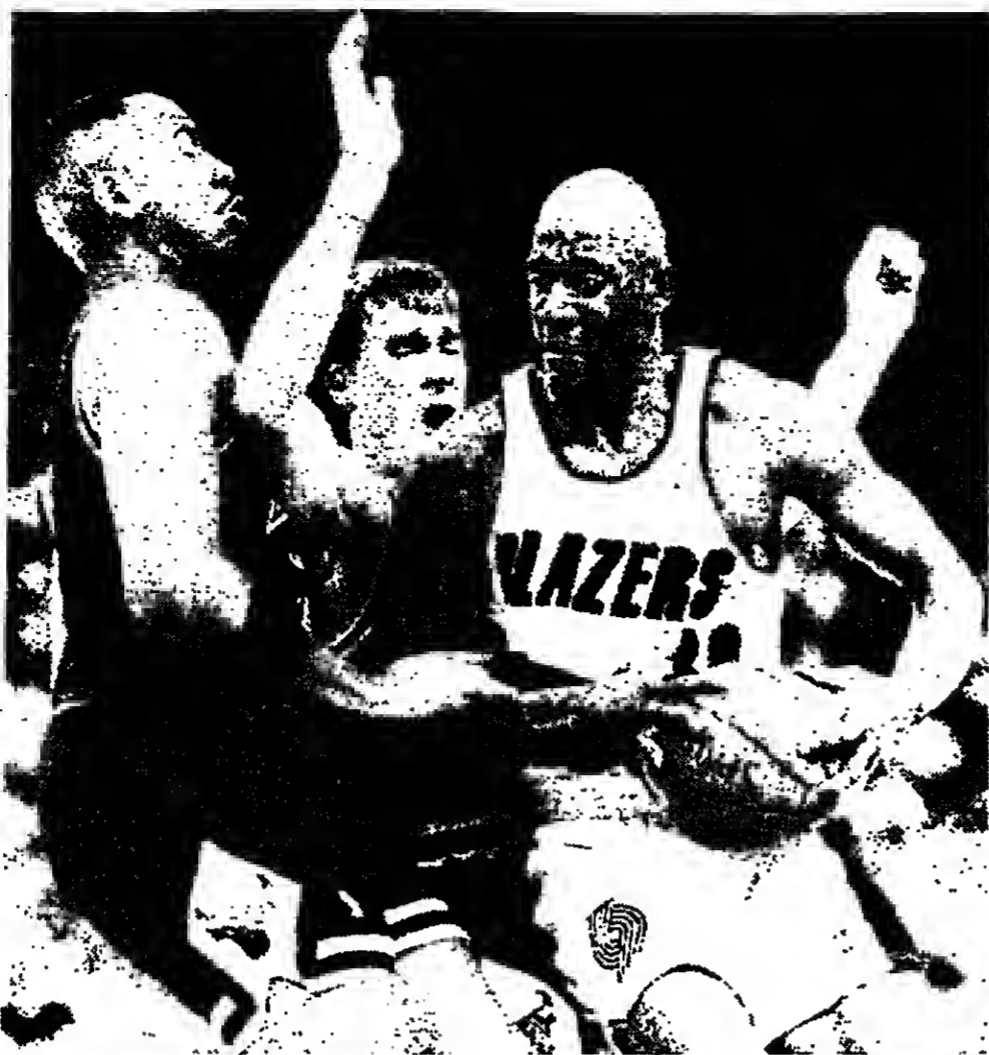
NATIONAL LEAGUE

to be hitting the ball and we're getting good pitching. We're all doing it together.

Smoltz, like Steve Avery and Tom Glavine this weekend, had little trouble with the Padres' lineup, the NL's best at bat, holding the Padres to six hits as he pitched his third complete game of the season.

Cardinals 5, Phillies 4: Ozzie Smith's two-run single with two outs in the ninth gave St. Louis its victory in Philadelphia, ending the Cardinals' five-game losing streak.

Patres 3, Mets 0: Randy Tomlin pitched a six-hit shutout to improve to 6-0 lifetime against New York and Pittsburgh took advantage of third baseman Dave Magadan's error in a three-run sixth in Three Rivers Stadium to win its seventh in the last 10.



The usually high-scoring Terry Porter, blocked off by Stacey King, left, and John Paxson of the Bulls, got only seven shots and scored seven points in the Trail Blazers' 94-84 defeat in Game 3.

Bulls Win Game 3, 94-84, On Off Night All Around

By David Aldridge Washington Post Service PORTLAND, Oregon — The schedule claimed it was Game 3 of the National Basketball Association championship series between the Portland Trail Blazers and Chicago Bulls. Performance suggested otherwise.

home during the regular seasons and 30-1 in home playoff games until the final.

"Once we learned to play on the road," Phippen said, "we've learned how to control the tempo of a game. That's what we did tonight, by playing good defense. We realized that we sort of blew" Game 2 on Friday night. "We gave it back to them."

This one was ugly. The Trail Blazers tied their franchise record Sunday night for fewest points in a playoff game, established more than 14 years ago. They shot 36 percent and had 20 turnovers.

When our backs are to the wall," Jordan said, "we focus on playing the kind of basketball we need to win. We come out and our defense leads us. That's the mark of a good team, but another mark is to be consistent."

Both Paxson and B.J. Armstrong took turns defending Porter. But neither should be able to keep him from getting a return pass. Yet that's what happened.

Hard Times Come in 3s as Angels Fall to Brewers

The usually high-scoring Terry Porter, blocked off by Stacey King, left, and John Paxson of the Bulls, got only seven shots and scored seven points in the Trail Blazers' 94-84 defeat in Game 3.

of times in this series they definitely kicked out in the face while we were down."

Trailing by a run, Kevin Reimer opened the eighth with a single and Gonzalez followed with a drive to right off reliever Mark Guthrie.

to hit three homers in a game, and the first since Larry Parrish in 1985.

White Sox 6, Athletics 1: In Cominsky Park, Charlie Hough pitched a three-hitter against Oakland and Robin Ventura had three hits, including a homer and a run-scoring double, as Chicago ended a four-game losing streak.

AMERICAN LEAGUE

day disabled list because of a tender right elbow. Catcher Lance Parrish is also hurting.

Wathan admitted his players were angry because Hamilton stole second with the Brewers leading by seven runs.

Rangers 5, Twins 4: In Arlington, Texas, Juan Gonzalez hit three home runs for the Rangers, the last a two-run shot in the eighth. He became the fifth player for the Rangers

to hit three homers in a game, and the first since Larry Parrish in 1985.

to hit three homers in a game, and the first since Larry Parrish in 1985.

SIDELINES

IOC Delays Decision on Yugoslavia

LONDON (AP)—Juan Antonio Samaranch, the IOC's president, said Monday a decision on Yugoslavia's Olympic participation will not be made until just before the July 25 start of the Barcelona Games.

For the Record

Koichi Nakano, who won a record 10 straight world professional sprint titles between 1977 and 1986, said Monday in Tokyo he will retire from bicycle racing.



And Who's in First? Only Charlie Knew

Brett Butler was tagged, staggered and out after driving in the run that gave the Dodgers a 1-0 victory over the Reds in a pitching duel between Tom Candiotti and Tim Lincecum.

Charlie Finley's telephone tirades were legendary during his days as owner of the Athletics. He often called managers in the middle of the night to second-guess them.

SCOREBOARD

Table with columns for Major League Standings (American League, National League) and Sunday's Line Scores.

Table with columns for National League Standings and Sunday's Line Scores.

Table with columns for American League Standings and Sunday's Line Scores.

Table with columns for National League Standings and Sunday's Line Scores.

Table with columns for American League Standings and Sunday's Line Scores.

Table with columns for National League Standings and Sunday's Line Scores.

Table with columns for Soccer (U.S. Cup Competition) and Basketball (NBA Final).

Large advertisement for AT&T USADirect service, featuring the slogan 'FEELING OUT OFF?' and 'AT&T USADirect Service can get you back to the office in seconds.' Includes AT&T logo and international access numbers.

ART BUCHWALD

The Nameless Enemy

WASHINGTON — The rule of law in effect at the White House is that under no circumstances can the name Ross Perot be mentioned.



Buchwald

Joan Rivers Fans Can't Get Enough

LONDON — Hundreds of the die-hard fans who paid \$20 (\$35) to see the comedian Joan Rivers "besieged" the box office because the show was too short.

worried about Democratic presidential candidate Bill Clinton, but how do you attack someone with no political track record?

"We're working on it, sir. He has no connection with Willie Horton that we know of, and we can't find any bimbos in his life. All we have found out is that he made a lot of money."

"You could say that while your contributors give money for you to win your election, he wants to buy his presidency with his own money. If that isn't un-American I don't know what is."

"Well, what about if I just go out there and attack him by name?" "You can't do that, sir. You're the president, and by using his name you would give him respectability."

"At the same time, it's on fun being third in the polls all this time."

"It's not your fault, Mr. President. You're a household word in American politics. People have no choice but to be disillusioned with you. On the other hand, no one has ever heard of 'hank-blank,' so he is bound to have the respect of the voters. Once everyone knows who he is, he'll sink right to the bottom of the Potomac."

"Maybe I should invite him to dinner and explain that he's tearing the country apart."

"That would be a good idea. Do you want to invite Clinton as well?" "What for? He's not tearing the country apart. They told me that all I had to do was launch Desert Storm, and I'd be a shoo-in for reelection."

"People get amnesia when you do something good. Mr. President, I think we should forget the polls and just be presidential. After all, this isn't merely a contest against outsiders with no political affiliation. It's against the rain forests of Brazil and a rotten, lazy Congress. You-know-who may be gaining on us, but we still haven't played the family card for all it's worth."

Resurrected Novelist Walks Mean Streets

By Joel Achenbach

JERSEY CITY, N.J. — The housing project is called the Woods, but there are hardly any trees, hardly any plants. The only biology is human. More than 700 families are crammed onto two acres of squalor, surrounded by a high metal fence that separates the Woods from the rest of a city once rated the worst place in America to live.

There is not even what you would properly call soil. The ground is a heavy fusion of gravel, rocks, dirt and glass, so very much glass, as though some urban gardener had mulched the detritus of a million beer and soda bottles because no organic materials could be found.

Richard Price, screenwriter and resurrected novelist, stops and turns toward the sun. Look at the shards of glass, he says, they're gleaming like diamonds. A minor detail. But this is the land that Price has mined for his new novel, "Clockers," and he'll keep whatever jewels he can find.

"I agonized: Is this cultural piracy?" he says. He answers the question: "If anyone can tell me what's exploitative about this, I'd like to hear it."

He already knows the arguments. White guys, rich guys, Manhattan guys aren't supposed to write books like this. But there was so much material here. "This is something about race and about class and about how America is now, and I will not submit this to group approval. I don't want anyone coming between me and my page."

And so he wrote "Clockers." There are two protagonists of this ambitious narrative: Strike, who runs the crew of "clockers" selling vials of crack in the project, and Rocco, a white, hard-drinking, overweight homicide detective wearing middle age and retirement.

The book is moving up the best-seller charts and was the buzz of last month's American Booksellers Association convention. Price, 42, has sold the film rights and his own screenplay to Hollywood for \$1.9 million, to go along with \$500,000 for the book advance.

Price's great achievement is to force the reader to identify with the multi-racial crew of a street punk who sells crack cocaine for 10 bucks a pop. Price refuses to give Strike any feel-good, Hollywood-issue virtues; he doesn't treat his mother like a saint or rescue babies from burning buildings or secretly possess a genius IQ. He's just a confused kid with an occasional stutter and a worsening ulcer. He sees drug dealing as his only way out of the project — yet knows his likely destiny is prison or death.

Strike carries a gun but feels reluctant about executing a fellow drug dealer, whose sudden murder provides the central mystery of the novel. Strike might be described as an upstanding criminal; he's disciplined in his behavior, he doesn't use the drugs himself, and he's clean. In Price's odoriferous novels, cleanliness is what you settle for in a world with too little godliness.

Price knew some cynics could accuse him of going on an urban safari, hunting for "material." They might well ask: Who does this Jew from the Bronx, this Hollywood screenwriter who hangs out with the likes of De Niro and Scorsese and Madonna, think he is? Wasn't it presumptuous to think he could empathize with two-bit teenage dope dealers and \$45,000-a-year cops?

In fact, no one asked Price these questions. He asked them himself. He wondered if the book was simply too ambitious. "It's like writing about Vietnam and not having been there," he says. "This book had me in a constant state of freaked-outness. I never felt in control." But he adds, "I tried hard to get people's lives right."



Richard Price: "I tried to get people's lives right."

Rodney, the Fagin-like drug dealer who controls Strike, is a Cadillac-driving, gold-chain-wearing loudmouth.

Rocco is a stereotype sprung to life with enough detail to be convincing: He's nearing his 30th year on the force, will retire in six months, is facing an identity crisis and finds solace in the bottom of a highball glass.

Price didn't just make it all up. He researched it. And in a way, he lived it — years ago, he was a coke addict himself. But he never touched crack.

"I couldn't survive stupid party-powder coke," he says. "How are these kids going to survive this Kryptonite?" Price appears one morning behind the wheel of a Toyota Camry hatchback. He extends his left hand to shake. His right arm is disabled by cerebral palsy.

We're going to Jersey City. It's a trip Price has made innumerable times over the past three years as he researched "Clockers." Jersey City is just another miserable little town in the larger body of New York. Jersey City, says Price, "is basically one big broken heart."

First stop is Whitney Young Junior High School, a windowless brick structure with no immediate sign of life. Inside the school, hundreds of kids, virtually all of them black, file into the huge auditorium for an anti-drug lecture. The speaker is Calvin Hart, a huge, gregarious Jersey City cop who appears in Price's novel under the name "Andre the Giant." He shouts: "Fact: Kids are dying. You're dying of AIDS, you're dying of drugs. You kids are dying!" A projector flashes slides of dead people and children with birth defects.

Afterward Hart says he's read much but not all of the book. "I like it," he tells Price, as they walk out of the building. "Because I know the people you're talking about." Like Larry Mullane. That's another person Price wants to see today. The inspiration for Rocco Klein.

Price pulls up to the Hudson County homicide detective bureau, a small office building at the end of a bumpy road in an industrial section of town. It's a nightmarish, soot-covered, Gothic bridge spanning the Hackensack River.

When he first got his hands on "Clockers," Mullane sat down at his desk and read it straight through over two days. He called Price in the meantime and said, "Richard, I hate these mutants that sell crack, but I'm actually starting to feel sorry for these characters."

Price also worked the other side of the law. Although Strike is just a composite figure, Rodney is based on a major drug dealer whom Price cruised around with a half dozen times. Price watched the man handing piles of cocaine and envisioned the door busting open and some tabloid TV crew charging in with the cameras rolling live on national television. Hey, I'm researching a novel, he'd say. Right!

Price is a product of the working-class Jewish projects of the Bronx. He grew up, he said, feeling he didn't belong. "You're always wishing you were a better athlete, more popular, so you go to bed thinking and fantasizing and setting up scenarios where you're the hero, you're the Errol Flynn of the playground."

Price has since rewritten his life many times, with some chapters looking in retrospect like they needed some editing. He went to Cornell and then the writing program at Columbia, had some stories published and suddenly leaped to the attention of serious readers in 1974 with his first novel, "The Wanderer." Suddenly, at the age of 24, he was no longer just a shrimpy Jewish kid from the projects, he was an American Literary Figure, and in homage to his new status he began showing up at readings with bottles of Southern Comfort and blends in tow. His next book, "Bloodbrothers," received more literary acclaim.

It was a heady time for the lad. Too heady. He wanted to live the life of a literary saint. The work itself, the longhand labor over a legal pad, isn't as much fun as the rewards of being known.

Price forgives the transgressions of his younger self. He sounds as if he wants everyone else to forgive him too. Here he is a grown-up, past 40, with two daughters he takes to school every morning, a farmhouse in the Hamptons, professional and critical success, and everyone who tells the Richard Price story has to point out that he was once an arrogant snob.

"You're just 24 years old, i.e., a jerk. You're so full of yourself, you're so pleased with yourself," Price says. "You just want to file a class-action statement: To all those who knew me at 24, I don't know what I did, but I'm sorry."

His third novel, "Ladies Man," was a literary descent into sexual hedonism, reflecting Price's interest of the moment, "sexual adventure and being a tourist in the land of the sexual outlaw." (Houghton Mifflin persuaded him to tone it down a bit.) Then came two novels that he and his agent chose not even to submit for publication. What had happened to Richard Price, the Authentic Literary Figure? Another cliché word: He had become a cocaine addict, like so many other creative people entering the 1980s.

He managed to turn out a fourth book, "The Breaks," which was about a college graduate who becomes a stand-up comic, but mostly it was about Richard Price tap-dancing around the page without any idea where he was going.

Young talent has head turned by own success, falls into depravity and drugs; so what's next? Hollywood, naturally. "I was a drug addict," he says, "and I figured if I was a drug addict I might as well write screenplays."

PEOPLE

Lindy Chamberlain

To Marry an American

Lindy Chamberlain, who was convicted then cleared in the death of her infant daughter in one of Australia's most publicized court cases, says she plans to marry a Seattle businessman. Chamberlain, 44, was quoted by Women's Day magazine as saying that she met her fiancé, Rick Creighton, 35, while on a U.S. speaking tour in February. Mrs. Chamberlain and her former husband, Michael, said a dingy, one of Australia's wild dogs, dragged their 9-week-old daughter, Azaria, from their campsite near Ayers Rock in August 1980. Her murder conviction was later thrown out, and she has been given a government compensation payment of \$680,000. Creighton, who runs a carpet store, was quoted as saying he had been warned by some people about Mrs. Chamberlain. "They had my best interests at heart and they wanted to protect me, but they didn't know her," he said.

Stanley Williams, who is chairman of the faculty of the School of American Ballet and has taught some 3,000 students in the last 30 years, was receiving the school's \$10,000 Mae L. Wien Award Monday at the Julliard Theater. Williams' students have included Peter Martins, Rudolf Nureyev, Edward Villella, Mikhail Baryshnikov and Doree Kidder. "He is teaching what Balanchine was to choreography," Villella said.

British rock star David Bowie and the Somali-born model Faye Dunaway exchanged religious vows at a star-studded wedding ceremony Saturday in San Giacomo Church in Florence. Guests at the service included John Lennon's widow Yoko Ono, Bianca Jagger and Thierry Mugler. Bowie, 45, was divorced from his first wife in 1980, and his 36-year-old bride was formerly married to U.S. basketball star Spencer Haywood.

Thousands of friends and neighbors dedicated on Sunday the restored old house in Strasburg, North Dakota, where Lawrence Welk was born. "I can just see him clasping his hands and saying, 'Wonderful, wonderful!'" and Norma Zimmer, the former "Champagne Lady" singer with Welk's band. The bandleader died May 17 at age 89.

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